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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1965 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Interim Report on  
Territorial Protection and Commission Regulation  
April 14, 1965

General. This interim report covers legislative developments through April 10, in most of the States, pertaining to bills dealing with territorial protection and commission regulation.

ENACTED

Arkansas (adjourned 3/11) - S.C.Res. 9, passed unanimously by House and Senate, approved by Governor 2/15/65, commends investor and consumer owned utilities in Arkansas, and urges them to work together, "neither interfering with the other in the development of the power potential of the state"; refers to territorial legislation previously enacted.

New Mexico (adjourned 3/20) - S.B. 230, passed both Senate and House in substitute bill form, approved by Governor, provides for the certification of telephone service areas with a "grandfather clause"; it was amended prior to final passage, at the telephone cooperatives' request, to include them; contains specific anti-duplication provisions.

North Dakota (adjourned 3/5) - H.B. 724, passed House by a vote of 69-29, Senate by a vote of 30-19, approved by the Governor, effective on 7/1, amends the certificate provision of the public utility law (Sec. 49-03-01 N.D. Cent. Code) by restricting the right of a public utility to construct facilities without a certificate to extensions within any municipality within which it has lawfully commenced operations, and eliminating the authority to extend service in territory already served and in territory contiguous thereto; adds requirements that a public utility obtain a certificate before construction and prohibits extension by a public utility of transmission or distribution lines beyond municipal limits except on certification by Public Service Commission; forbids PSC to issue a certificate for service beyond municipal limits unless the electric cooperative with lines or facilities nearest the place to be served consents in writing or unless PSC, after notice and hearing, determines the service cannot be provided by the cooperative; requires public utilities serving outside municipal limits to file, within 90 days after effective date of Act, maps of their electric distribution systems showing all places outside of municipal limits receiving service on effective date of Act; entrusts enforcement to PSC; and recognizes right of injured parties to sue a public utility or cooperative. ["Public utility" as used in this Act does not include a cooperative. Bill was sponsored by the electric cooperatives. See also H.B. 726, H.B. 727, and S.B. 309 reported under "FAILED".]

South Dakota (adjourned 3/15) - S.B. 250, passed Senate 3/5 (35-0), passed House with amendment 3/10 (73-0), approved by Governor 3/13, effective 7/1, amends Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas to the municipal or other



utility serving the majority of customers in the city or town, and by amending the definition of "rural area" to retain the character of "rural area" for annexed areas in which a cooperative is the primary supplier, i.e., serves the majority of customers. Gives a secondary electric supplier the sole right to continue service to premises within a municipality being served on March 17, 1965, and the right to serve new structures in a municipality located within 300 feet of its energized lines as of that date; provides for customers' choice where the unserved premises are within 300 feet of the energized lines of both the secondary and primary supplier; and recognizes municipally-owned utilities as primary suppliers. In areas within three miles of municipal boundaries, all suppliers are given sole right to continue their service to structures being served on March 17, 1965, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. In areas annexed after March 17, 1965, all suppliers are given sole right to continue their service to structures being served at time of annexation, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. No provision is made with respect to service in rural areas beyond the three-mile zone; presumably left to consumers' choice. Establishes the South Dakota Electric Mediation Board with quasi-judicial powers for the sole purpose of determining territorial disputes, prescribes its membership, method of selection, compensation, and procedure, and provides for court issuance of restraining orders pending Mediation Board action. Gives secondary suppliers right to use public lands and thoroughfares within a municipality and surrounding three-mile zone. Requires a secondary supplier in a municipality which is a cooperative to pay to the municipalities, in addition to other taxes provided by law, 2% of its gross receipts from power sales within the municipality, plus an additional agreed amount where the primary supplier is municipally owned, fixed at 4% of gross receipts where the parties cannot agree. [S.B. 250 is a compromise worked out by cooperatives, power companies and municipals with encouragement and assistance from the Governor; see also H.B. 857 reported under "FAILED".]

Tennessee (adjourned) - (H.B. 691) S.B. 564, enacted as Ch. 304, requires municipal utilities, with certain exceptions, which extend service into an area certificated to another utility to agree to take over the latter's property, rights and functions, for compensation to be fixed by court if the parties fail to agree. [Note: as electric cooperatives in Tennessee are not certificated, this act is not applicable to them.]

Utah (adjourned 3/11) - S.B. 30, approved by the Governor 3/11, and effective 5/10/65, amends the Utah public utility law to include electric cooperatives in the definition of public utilities regulated thereunder, and subjects them to the complete jurisdiction of the Utah Public Utilities Commission; amends certificate provision to include a "grandfather clause" covering customers served at the time of filing application for certificate, subject to determination by the PUC that applicant has sufficient finances, equipment and plant to continue its existing service. Electric utilities, except those applying for certificate to serve existing customers only, are required to have established or to establish in a reasonable time a ratio of debt capital to equity which the PUC shall find renders them "financially stable and which financing shall be found to be in the public interest". Saves all existing rights of municipalities. [S.B. 30, as originally sponsored by the electric cooperatives, included specific anti-duplication provisions prohibiting service to consumers already served or to new consumers within 1000 feet of existing lands of another supplier, and a "grandfather certificate" clause covering territory rather than consumers. These



provisions were eliminated by amendment, and the "grandfather clause" covering consumers and the debt-equity ratio language added.]

FAILED

Indiana (adjourned 3/8) - S. 152, pocket-vetoed by the Governor, would have amended the Telephone Membership Corporation Act so as to exempt from PSC jurisdiction the issuance of obligations to the United States or the State of Indiana. [This bill was sponsored by REA cooperative telephone borrowers and supported by the Indiana state association of electric cooperatives to offset the effect of an adverse PSC decision which had been reversed in court.]

Montana (adjourned 3/10) - S.B. 203, failed in Senate by a vote of 29-28, would have prohibited duplication of existing service by any electric supplier and service to unserved premises located within 2500 feet and closer to the distribution lines of another supplier; also provided for continuation and extension of service in areas included within the boundaries of municipalities; enforcement to be district court injunction. [Sponsored by Montana Associated Utilities (cooperative state association) the bill was opposed by power company and the state IBEW; after amendment to increase the tax classification of electric cooperative property from 7% to 20% for plant and 40% for poles and lines (same classification as power companies), it was indefinitely postponed; bill substantially the same as model "Territorial Integrity Act"]

- S.B. 202, passed Senate 2/14 with amendment (37 to 18) and House 2/24, vetoed by Governor, would have amended electric provision of the Electric and Telephone Cooperative Act to delete from the purpose clause [§14-502(a)] language limiting the cooperative purpose to areas where service is "not otherwise available"; to specifically empower improvement and expansion of existing facilities; and to redefine "rural area" so as to authorize full utilization of existing facilities in annexed areas; amended in Senate to limit service in annexed areas to areas served at time of annexation, and to persons therein requesting cooperative service. [Sponsored by statewide to offset effect of adverse Montana Supreme Court decisions.]

- S.B. 229, killed in Senate by unanimous adverse Committee report, would have provided for settlement of territorial disputes with respect to electric service within municipal limits by the Public Service Commission, in rural areas by a rural electric arbitration board to be established on a permanent basis; would have redefined "rural area" to confine cooperative service in annexed areas to customers served at the time of annexation; subjected electric and telephone cooperatives to Public Service Commission jurisdiction within the corporate boundaries of municipalities; and increased the tax classification of electric and telephone cooperatives located within municipalities. [Opposed by statewide.]

New Mexico (adjourned 3/20) - H.B. 201, failed in House Committee, would have amended the 1961 law subjecting electric cooperatives to PSC jurisdiction to clarify PSC jurisdiction over G&T cooperatives; and exempted G&T's from the inspection and supervision fee which is based on energy sales.

- H.B. 327 would have authorized municipal utility to continue furnishing utility service more than five miles from its boundary and prohibited any other utility from extending service into the area.

- H.B. 344 would have provided for PSC regulation of rates and service by a municipal utility furnishing electricity beyond a distance of five miles from its limits, and provided for the payment of taxes on such service.

North Dakota (adjourned 3/5) - H.B. 726, passed House on 2/17 (71-32) and Senate on 3/5 (34-15), but died in conference, would have amended the Electric Cooperative Act by eliminating the unserved person restriction on electric cooperative service. [Sponsored by the electric cooperatives.]

- H.B. 727, passed House 2/17 (69-36), failed in Senate, would have required PSC approval for public utility service at rates other than those published, authorized the PSC to require a public utility to make reparation for discriminatory rates to persons injured directly or indirectly and authorized court action for treble damages by injured person upon showing of willful violation. [Sponsored by electric cooperatives to offset unfair competition in the form of discriminatory rates.]

- S.B. 309, indefinitely postponed 2/13, would have authorized the utility serving a majority of the customers in a city or town to acquire the electrical facilities of any other utility, including a cooperative, in areas annexed to the city or town upon payment of their fair and reasonable value plus severance damages equal to gross receipts for the prior three years received from the sale of electricity in the annexed areas. [Opposed by the electric cooperatives; see H.B. 724, reported under "ENACTED".]

South Dakota (adjourned 3/15) - H.B. 857, would have amended the definition of "rural area" in the Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas, and substituting language permitting cooperatives to continue service to service outlets being served at the time of annexation, and conditioning service to new service outlets in annexed areas upon approval by an arbitration board selected by the parties. [See S.B. 250, reported under "ENACTED".]

#### PENDING

Alaska - H.B. 138, as amended in the House which passed (26-14) a committee substitute bill, amends Public Service Commission Act, by adding a "grandfather clause" to the certificate of convenience and necessity section, and a provision permitting the Commission to condition a certificate upon the applicant serving an area not included in the original application; revising rate regulation provision to permit municipal utilities to bill a separate surcharge for service within the municipal limits; eliminating present exemption for utilities with gross annual revenues under \$100,000; and including municipal utilities within the definition of "public utility" but exempting them if no other regulated utility provides a like utility service to consumers situated "within an integrated economic area". [This is an Administration bill supported by the electric cooperatives; in the Senate, it was returned to the House which referred it to the Legislative Council for further study and public hearing.]

- S.B. 43, amends Public Service Commission Act to delete the exemption of municipally owned and operated utilities, and to include them specifically in the definition of "public utility".

- S.B. 180, introduced 3/31/65, revises the Public Service Commission Act.

Illinois - H.B. 1121, introduced 4/6, is reported to follow generally the model Territorial Integrity Act, and to prohibit electric service to premises which have in the preceding year been receiving service from another supplier, or which are within 1000 feet of another supplier's distribution line, except for service to supplier's own premises or for resale or service by a municipal utility within its boundaries; and to provide for continuance and extension of service in annexed areas; provides for court enforcement. [Sponsored by Illinois electric cooperatives.]



Maine - S.P. 320 (L.D. 1044), amends Public Utility Law to prohibit service by electric suppliers, including cooperatives, to premises already being served or to unserved premises within 1,000 feet of the distribution line of another supplier; also amends the rural electrification cooperative law to eliminate restrictions on cooperative service and in other respects. [Sponsored by Maine electric cooperatives; hearings held 3/23/65 before a joint meeting of the Utilities Committee; bill opposed by the PUC, and by commercial power companies which offered an amendment to place the electric cooperatives under complete PUC regulation.]

Nebraska - L.B. 289, amends the 1963 Power Review Board law to expand coverage to eliminate competition and duplication between wholesale as well as retail suppliers; to authorize the Board to adopt rules and employ staff; to specifically limit applications to the Board to establish service areas to retail suppliers; to limit the service area of a municipality beyond its zoning area to contiguous area completely served by the municipality; to limit the Board's authority with respect to modifying service areas to applications by retail suppliers; to expand Board's jurisdiction to include wholesale as well as retail duplication of service, and the construction of generation facilities or transmission lines (over 700 volts) by wholesale as well as retail suppliers; and to provide for injunctions against such duplication and construction; to give retail customers access to Board for relief from discrimination or permission to take more reasonable service from another supplier; and to provide for apportionment of Board's assessments on basis of electrical revenues rather than gross income. [Substantially carries out recommendation of Legislative Council Committee on Public Power. Several bills realigning public power districts and their management, and dealing with the controversial subject of power supply are pending.]

North Carolina - (H.B. 255) S.B. 95, favorably reported 4/2/65 by Senate (8-3) and House (14-0) Utilities Committees, recognizes right of electric suppliers to continue service within municipal limits and in annexed areas subject to limitations where the municipality is served by another supplier; makes electric cooperatives eligible to receive municipal franchises; subjects electric cooperatives to State, county and local taxes (except income tax, and except for Ocracoke EMC and Cape Hatteras EMC whose public status and tax exemption are preserved in two separate bills, S.B. 97 and S.B. 98; public status of telephone cooperatives and their tax exemption are preserved in S.B. 96, H.B. 256); in rural areas, prohibits electric suppliers from serving premises already served by another supplier and unserved premises within 300 feet of the lines of another supplier; provides for assignment of territory in rural areas beyond the 300-foot zones by the Utilities Commission; gives U.C. authority to order service even where territory is assigned to another supplier; defines electric cooperatives as "public utility"; prohibits discriminatory rates and services by cooperatives; requires cooperatives to file their rate schedules and service regulations with the Utilities Commission; and requires that U.C. certificates be obtained before constructing a generating facility. [All bills listed represent compromise worked out by state electric cooperative association and power companies with encouragement and assistance from the Governor; the municipals oppose the bills; all bills in the package were reported favorably 4/2.]

- H.B. 76, amends charter of the City of Washington, to authorize the city to acquire, upon payment of just compensation, any utility facilities in annexed areas, and to direct the supplier to remove the facilities and cease service. [Opposed by state electric cooperative association.]

Oregon - S.B. 277, passed Senate with amendment 3/15 (18-9), defeated in House 4/5 (28-30), vote reconsidered 4/6, passed House on third reading 4/8, amends the 1961 Territorial Integrity Act by prohibiting the offer or construction of utility service other than by the applicant during the pendency of an application for allocation of territory. [Sponsored by the Public Utility Commissioner.]

Texas - H.B. 75 authorizes county commissioners courts to adopt ordinances regulating telephone rates in counties outside of incorporated cities and towns, and protecting telephone companies "in the free enjoyment of their rights and franchises, to protect from interference their property or privileges, and to prevent the free or unauthorized use or waste of the telephone service furnished"; also gives district courts jurisdiction over telephone rates if invoked by the commissioners court and provides that "rates fixed may never exceed eight per cent per year".

- S.B. 451 establishes a Texas Public Utilities Commission with jurisdiction over electric, telephone, water and gas utilities, primarily over rates; declares duplication of facilities and capital investment not in the public interest; authorizes the Commission to require a "definition of territory" to be filed by utilities, including cooperatives; and prohibits extension into territory not previously served except upon certification of public convenience and necessity by the Commission after notice and hearing.

Prepared by:

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[Copies of all bills reported herein (except Alaska S.B. 180, and Illinois H.B. 1121) are on file and available for inspection in this office.]



UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
Washington, D. C.

1965 STATE LEGISLATION AFFECTING REA PROGRAMS  
SUMMARY REPORT - JULY 15, 1965

Coverage. Forty-six state legislatures convened in regular session this year. Thirty-six have adjourned; two have recessed; eight are still in session.

This report lists those bills which came to our attention and were identified as bearing upon REA programs. Where known, sponsorship by REA borrowers is reported. Disposition of each bill is indicated. It should be noted that in those states in which the legislatures adjourned most recently, some bills are reported as pending. This is due both to reporting lag and to the fact that some of the bills were awaiting action by the Governors at the time this report was prepared. Later this year, after substantially all legislative sessions have adjourned, a final brief report will be made showing only the disposition of bills listed as pending herein and any additional bills introduced.

Please call any errors or omissions to my attention.

*Charles U. Samenow*

Charles U. Samenow, Consultant

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## I. TERRITORIAL PROTECTION AND COMMISSION REGULATION

### Enacted

Arkansas (adjourned 3/11) - S.C.Res. 9, passed unanimously by House and Senate, approved by Governor 2/15/65, commends investor and consumer owned utilities in Arkansas, and urges them to work together, "neither interfering with the other in the development of the power potential of the state"; refers to territorial legislation previously enacted.

Illinois - H.B. 2105 (S.B. 1279), approved by Governor 7/2/65, enacts "Electric Suppliers Act" authorizing electric public utilities and cooperatives, to avoid duplication of facilities and minimizes disputes, to contract as to their respective service areas subject to Illinois Commerce Commission approval; provides for filing maps of existing lines (except where there are no existing conflicting lines) with the Commission and for hearings if there is objection; confirms right of suppliers to continue existing service, fulfill existing service contracts, and resume service to premises discontinued within preceding 12 months, and prohibits other suppliers from supplying such service except that generation and transmission cooperatives may furnish service to member distribution cooperatives which are not incorporated municipalities; provides for Commission determination of service areas by approved contract regardless of outstanding certificates of convenience and necessity except in incorporated municipalities and annexed areas; gives Commission authority to release customers who are inadequately served and to terminate discrimination, and to order a nonregulated supplier (cooperative) to serve an applicant who is denied service; gives cooperative right of eminent domain on a Commission finding of necessity; authorizes continued existing service in annexed areas but prohibits extension in annexed areas unless authorized by the municipality, and by the Commission where another supplier is authorized to serve; and provides penalties for violation of the act.

- H.B. 2106 (S.B. 1280), approved by Governor 7/2/65, amends the Public Utilities Act by specifically excluding electric cooperatives therefrom, giving any authorization to a public utility by the Commission the same effect as a certificate of convenience and necessity, and denying electric cooperatives standing in any proceeding before the Commission for power plant construction and as to matters for which a remedy is available under the Electric Suppliers Act (see above).

[The foregoing bills represent a compromise package negotiated by the electric cooperatives and utilities at the Governor's instigation, replacing H.B. 1121 and S.B. 810, see "Failed" below.]

Maine - S.P. 538, approved 5/28/65, Ch. 348, effective 9/2/65, amends Public Utility Law to prohibit service by electric suppliers, including cooperatives, to premises already being served or to unserved premises within 1,000 feet of the distribution line of another supplier; subjects electric cooperatives to Public Utilities Commission jurisdiction except as to rates and obligations; amends Cooperative Enabling Act to eliminate prohibition against powers of eminent domain. [S.P. 538 was substituted for S.P. 320, with the acquiescence of the Maine cooperatives. S.P. 320 provided the same territorial protection as S.P. 538, but did not subject the cooperatives to PUC regulation and would also have amended the Cooperative Enabling Act to eliminate some restrictions on cooperative Service.]



New Mexico - S.B. 230, enacted in substitute bill form as Ch. 292, provides for the certification by the State Corporation Commission of telephone service areas with a "grandfather clause"; it was amended prior to final passage, at the telephone cooperatives' request, to include them; contains specific anti-duplication provisions.

North Carolina - H.B. 255 (S.B. 95), enacted as Ch. 287, approved and effective 4/20/65, recognizes right of electric suppliers to continue service within municipal limits and in annexed areas subject to limitations where the municipality is served by another supplier; makes electric cooperatives eligible to receive municipal franchises; subjects electric cooperatives to State, county and local taxes (except income tax, and except for Ocracoke EMC and Cape Hatteras EMC whose public status and tax exemption are preserved in two separate bills, S.B. 97 and S.B. 98, enacted as Ch. 346 and 347, see "ELECTRIFICATION, Enabling Laws; Amendments, Enacted," below); public status of telephone cooperatives and their tax exemption are preserved in S.B. 96 (H.B. 256) (enacted as Ch. 345, see "TELEPHONE, Enabling Laws; Amendments, Enacted," below); in rural areas, prohibits electric suppliers from serving premises already served by another supplier and unserved premises within 300 feet of the lines of another supplier; provides for assignment of territory in rural areas beyond the 300-foot zones by the Utilities Commission; gives U.C. authority to order service even where territory is assigned to another supplier; defines electric cooperatives as "Public utility;" prohibits discriminatory rates and services by cooperatives; requires cooperatives to file their rate schedules and service regulations with the Utilities Commission; and requires that U.C. certificates be obtained before constructing a generating facility. [All bills listed represent compromise worked out by state electric cooperative association and power companies with encouragement and assistance from the Governor; the municipals opposed the bills.]

North Dakota - H.B. 724, passed House by a vote of 69-29, Senate by a vote of 30-19, approved by the Governor, effective on 7/1, amends the certificate provision of the public utility law (Sec. 49-03-01 N.D. Cent. Code) by restricting the right of a public utility to construct facilities without a certificate to extensions within any municipality within which it has lawfully commenced operations, and eliminating the authority to extend service in territory already served and in territory contiguous thereto; adds requirements that a public utility obtain a certificate before construction and prohibits extension by a public utility of transmission or distribution lines beyond municipal limits except on certification by Public Service Commission; forbids PSC to issue a certificate for service beyond municipal limits unless the electric cooperative with lines or facilities nearest the place to be served consents in writing or unless PSC, after notice and hearing, determines the service cannot be provided by the cooperative; requires public utilities serving outside municipal limits to file, within 90 days after effective date of act, maps of their electric distribution systems showing all places outside of municipal limits receiving service

on effective date of act; entrusts enforcement to PSC; and recognizes right of injured parties to sue a public utility or cooperative. ["Public utility" as used in this Act does not include a cooperative. Bill was sponsored by the electric cooperatives. See also H.B. 726, H.B. 727, and S.B. 309 reported under "Failed."]

Oregon - S.B. 277, enacted as Ch. 342, amends the 1961 Territorial Integrity Act by prohibiting the offer or construction of utility service other than by the applicant during the pendency of an application for allocation of territory. [Sponsored by the Public Utility Commissioner.]

South Dakota - S.B. 250, approved by Governor 3/13/65, effective 7/1/65, amends Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas to the municipal or other utility serving the majority of customers in the city or town, and by amending the definition of "rural area" to retain the character of "rural area" for annexed areas in which a cooperative is the primary supplier, i.e., serves the majority of customers. Gives a secondary electric supplier the sole right to continue service to premises within a municipality being served on March 17, 1965, and the right to serve new structures in a municipality located within 300 feet of its energized lines as of that date; provides for customers' choice where the unserved premises are within 300 feet of the energized lines of both the secondary and primary supplier; and recognizes municipally-owned utilities as primary suppliers. In areas within three miles of municipal boundaries, all suppliers are given sole right to continue their service to structures being served on March 17, 1965, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. In areas annexed after March 17, 1965, all suppliers are given sole right to continue their service to structures being served at time of annexation, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. No provision is made with respect to service in rural areas beyond the three-mile zone; presumably left to consumers' choice. Establishes the South Dakota Electric Mediation Board with quasi-judicial powers for the sole purpose of determining territorial disputes, prescribes its membership, method of selection, compensation, and procedure, and provides for court issuance of restraining orders pending Mediation Board action. Gives secondary suppliers right to use public lands and thoroughfares within a municipality and surrounding three-mile zone. Requires a secondary supplier in a municipality which is a cooperative to pay to the municipalities, in addition to other taxes provided by law, 2% of its gross receipts from power sales within the municipality, plus an additional agreed amount where the primary supplier is municipally owned, fixed at 4% of gross receipts where the parties cannot agree. [S.B. 250 is a compromise worked out by cooperatives, power companies and municipals with encouragement and assistance from the Governor; see also H.B. 857 reported under "Failed."]



Tennessee - S.B. 564 (H.B. 691), enacted as Ch. 304, requires municipal utilities, with certain exceptions, which extend service into an area certificated to another utility to agree to take over the latter's property, rights and functions, for compensation to be fixed by court if the parties fail to agree. [Note: as electric cooperatives in Tennessee are not certificated, this act is not applicable to them.]

Utah - S.B. 30, approved by the Governor 3/11/65, and effective 5/10/65, amends the Utah public utility law to include electric cooperatives in the definition of public utilities regulated thereunder, and subjects them to the complete jurisdiction of the Utah Public Utilities Commission; amends certificate provision to include a "grandfather clause" covering customers served at the time of filing application for certificate, subject to determination by the PUC that applicant has sufficient finances, equipment and plant to continue its existing service. Electric utilities, except those applying for certificate to serve existing customers only, are required to have established or to establish in a reasonable time a ratio of debt capital to equity which the PUC shall find renders them "financially stable and which financing shall be found to be in the public interest." Saves all existing rights of municipalities. [S.B. 30, as originally sponsored by the electric cooperatives, included specific anti-duplication provisions prohibiting service to consumers already served or to new consumers within 1000 feet of existing lands of another supplier, and a "grandfather certificate" clause covering territory rather than consumers. These provisions were eliminated by amendment, and the "grandfather clause" covering consumers and the debt-equity ratio language added.]

#### Failed

Illinois - S.B. 810, tabled in Senate 6/16/65, would have amended the public utility law by adding a definition of rural electric cooperatives which is interpreted as subjecting them to the jurisdiction of the Illinois Commerce Commission; specifically exempted electric cooperatives from Commission regulation over the issuance of stocks, bonds, notes and other evidences of indebtedness, and over the assignment, transfer, lease, mortgage or other encumbrance of cooperative franchises, licenses, permits, plant, equipment, business or other property in connection with REA loans, and over the payment of dividends. [Sponsorship of the bill is attributed to the investor-owned utilities; see Illinois bills under "Enacted," above.]

- H.B. 1121, tabled in the Senate 6/16/65, would have enacted a modification of the model Territorial Integrity Act, prohibiting electric service to premises which have in the preceding year been receiving service from another supplier, or which are within 1,000 feet of another supplier's distribution line, except for service to supplier's own premises or for resale or service by a municipal utility within its boundaries; and providing for continuance and extension of service in annexed areas; provides for court enforcement. [Sponsored by Illinois electric cooperatives; see Illinois bills under "Enacted," above.]



Montana - S.B. 203, failed in Senate by a vote of 29-28, would have prohibited duplication of existing service by any electric supplier and service to unserved premises located within 2,500 feet and closer to the distribution lines of another supplier; also provided for continuation and extension of service in areas included within the boundaries of municipalities; enforcement to be district court injunction. [Sponsored by Montana Associated Utilities (cooperative state association) the bill was opposed by power company and the state IBEW; after amendment to increase the tax classification of electric cooperative property from 7% to 20% for plant and 40% for poles and lines (same classification as power companies), it was indefinitely postponed; bill substantially the same as model Territorial Integrity Act.]

- S.B. 202, passed Senate 2/14/65 with amendment (37 to 18) and House 2/24/65, vetoed by Governor, would have amended electric provision of the Electric and Telephone Cooperative Act to delete from the purpose clause [§14-502(a)] language limiting the cooperative purpose to areas where service is "not otherwise available;" to specifically empower improvement and expansion of existing facilities; and to redefine "rural area" so as to authorize full utilization of existing facilities in annexed areas; amended in Senate to limit service in annexed areas to areas served at time of annexation, and to persons therein requesting cooperative service. [Sponsored by statewide to offset effect of adverse Montana Supreme Court decisions.]

- S.B. 229, killed in Senate by unanimous adverse Committee report, would have provided for settlement of territorial disputes with respect to electric service within municipal limits by the Public Service Commission, in rural areas by a rural electric arbitration board to be established on a permanent basis; would have redefined "rural area" to confine cooperative service in annexed areas to customers served at the time of annexation; subjected electric and telephone cooperatives to Public Service Commission jurisdiction within the corporate boundaries of municipalities; and increased the tax classification of electric and telephone cooperatives located within municipalities. [Opposed by statewide.]

New Mexico - H.B. 327 would have authorized municipal utility to continue furnishing utility service more than five miles from its boundary and prohibited any other utility from extending service into the area.

- H.B. 344 would have provided for PSC regulation of rates and service by a municipal utility furnishing electricity beyond a distance of five miles from its limits, and provided for the payment of taxes on such service.

North Dakota - H.B. 726, passed House on 2/17/65 (71-32) and Senate on 3/5/65 (34-15), but died in conference, would have amended the Electric Cooperative Act by eliminating the unserved person restriction on electric cooperative service. [Sponsored by the electric cooperatives.]

- H.B. 727, passed House 2/17/65 (69-36), failed in Senate, would have required PSC approval for public utility service at rates other than those published, authorized the PSC to require a public utility to make reparation for discriminatory rates to persons injured directly or indirectly, and authorized court action for treble damages by injured person upon showing of willful violation. [Sponsored by electric cooperatives to offset unfair competition in the form of discriminatory rates.]

- S.B. 309, indefinitely postponed 2/13/65, would have authorized the utility serving a majority of the customers in a city or town to acquire the electrical facilities of any other utility, including a cooperative, in areas annexed to the city or town upon payment of their fair and reasonable value plus severance damages equal to gross receipts for the prior three years received from the sale of electricity in the annexed areas. [Opposed by the electric cooperatives; see H.B. 724, reported under "Enacted."]

South Dakota - H.B. 857, would have amended the definition of "rural area" in the Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas, and substituting language permitting cooperatives to continue service to service outlets being served at the time of annexation, and conditioning service to new service outlets in annexed areas upon approval by an arbitration board selected by the parties. [See S.B. 250, reported under "Enacted."]

Tennessee - H.B. 45, would have provided that a utility district which has an unserved area with more than 100 owners of real property residing therein may have such area removed from its territorial limits upon petition of 25 or more property owners; and provided that unserved area may be placed in a separate new district.

Texas - H.B. 75 would have authorized county commissioners courts to adopt ordinances regulating telephone rates in counties outside of incorporated cities and towns, and protecting telephone companies "in the free enjoyment of their rights and franchises, to protect from interference their property or privileges, and to prevent the free or unauthorized use or waste of the telephone service furnished;" also gives district courts jurisdiction over telephone rates if invoked by the commissioners court and provides that "rates fixed may never exceed eight percent per year."

- S.B. 451 would have established a Texas Public Utilities Commission with jurisdiction over electric, telephone, water and gas utilities, primarily over rates; declares duplication of facilities and capital investment not in the public interest; authorizes the Commission to require a "definition of territory" to be filed by utilities, including cooperatives; and prohibits extension into territory not previously served except upon certification of public convenience and necessity by the Commission after notice and hearing.

#### Pending

Alaska - H.B. 138, as amended in the House which passed (26-14) a committee substitute bill, amends Public Service Commission Act, by adding a "grandfather clause" to the certificate of convenience and necessity section, and a provision permitting the Commission to condition a certificate upon the applicant serving an area not included in the original application; revising rate regulation provision to permit municipal utilities to bill a separate surcharge for service within the municipal limits; eliminating present exemption for utilities



with gross annual revenues under \$100,000; and including municipal utilities within the definition of "public utility" but exempting them if no other regulated utility provides a like utility service to consumers situated "within an integrated economic area." [This is an Administration bill supported by the electric cooperatives; in the Senate, it was returned to the House which referred it to the Legislative Council for further study and public hearing; carried over to 1966 session.]

- S.B. 43, amends Public Service Commission Act to delete the exemption of municipally owned and operated utilities, and to include them specifically in the definition of "public utility;" carried over to 1966 session.

- S.B. 180, carried over to 1966 session, generally amends the Public Service Commission Act, substantially same as C.S.H.B. 138, but adds provision for regulation of public utilities by the first responsible unit of local government (city or borough) whose geographical boundaries encompass all the competing utility systems. Where the system overlaps local government boundaries or where the local government relinquishes its jurisdiction, the State commission assumes regulatory function. [An amendment to C.S.H.B. 138 providing for similar local jurisdiction failed in the House.]

- S.B. 191, carried over to 1966 session, would have provided for local government regulation of public utilities, and established a Public Utility Advisory Board composed of experts on utility regulation to conduct hearings for local governments and assist them in development of regulations and rate structures, and to conduct investigations and hearings for and advise the State commission on rates and other matters.

California - S.B. 1170, amends section 1170 of the Public Utilities Code to require every electrical and telephone corporation and other utility corporations which propose construction or extension of facilities first to obtain certificate of convenience and necessity; eliminates provision permitting extensions within city or county within which operations were lawfully commenced, and in contiguous territory; and requires obtaining certificate before acquiring land or interest therein required for construction and extensions.

Delaware - H.B. 179, authorizes electric suppliers (commercial cooperative and public) to continue service in areas annexed to municipalities, and to extend within 300 feet of existing facilities; enforcement to be by court action. [Sponsored by electric cooperative; similar to municipal annexation provisions of model Territorial Integrity Act.]

Nebraska - L.B. 289, amends the 1963 Power Review Board law to expand coverage to eliminate competition and duplication between wholesale as well as retail suppliers; to authorize the Board to adopt rules and employ staff; to specifically limit applications to the Board to establish service areas to retail suppliers; to limit the service area of a municipality beyond its zoning area to contiguous area completely served by the municipality; to limit the Board's authority with respect to modifying service areas to applications by retail suppliers; to expand

Board's jurisdiction to include wholesale as well as retail duplication of service, and the construction of generation facilities or transmission lines (over 700 volts) by wholesale as well as retail suppliers; and to provide for injunctions against such duplication and construction; to give retail customers access to Board for relief from discrimination or permission to take more reasonable service from another supplier; and to provide for apportionment of Board's assessments on basis of electrical revenues rather than gross income. [Substantially carries out recommendation of Legislative Council Committee on Public Power. Several bills realigning public power districts and their management, and dealing with the controversial subject of power supply are listed under "Enabling Laws; Amendments," below.]

Wisconsin - A.B. 293, passed Assembly, 3rd reading in Senate on 7/15/65, adds Sec. 66.069 (2)(d) to statutes relating to municipal service outside of city or village limits, limiting such service to the places fixed by agreement unless otherwise specifically provided by agreement or ordinance.

## II. ELECTRIFICATION

### Enabling Laws; Amendments

#### Enacted

Alaska - H.B. 47, approved and effective 4/22/65, Ch. 83, authorizes municipal corporations or political subdivisions to refund general obligations and revenue bonds, without election in the case of revenue bonds.

Arizona - H.B. 236, approved 4/10/65, Ch. 59, and effective 7/19/65, adds to the electrical district law (Title 30, Ch. 3, Art. 1, Ariz. Rev. Stats.) provisions for the exclusion from electrical districts of lands which cannot be beneficially served by the districts, upon petition of the owners of the land.

Arkansas - S.B. 5 (H.B. 3), approved and effective 2/11/65, as Act 11, amends Sec. 73-427, Ark. Stats., to provide for domestication of out-of-state light and power corporations.

Maine - S.P. 538 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted").

Nebraska - L.B. 339 raises the ceiling on power district directors monthly compensation from \$100 limit to \$200 for direction of districts created by merger or consolidation of two or more districts (amends Sec. 70-624.02).

- L.B. 709, revises power district law (Sec. 70-601) so as to broaden the definitions of "municipality" for the purpose of election of directors to include not only each incorporated city or village which the district serves at retail but also those which it serves at wholesale for resale.

- L.B. 720 amends Sec. 70-624.02 to prohibit power district directors from receiving any compensation in addition to the statutory limit during his term or one year thereafter.

Nevada - A.B. 171, enacted as Ch. 278, 1965 Public Securities Validation Act, validates all public securities heretofore issued, including those issued by power districts.

North Carolina - S.B. 97 (H.B. 258) and S.B. 98 (H.B. 257), enacted as Ch. 346 and 347, approved and effective 4/20/65, respectively, declare Ocracoke Electric Membership Corporation and Cape Hatteras Electric Membership Corporation to be public agencies for the performance of their chartered services and provides their property shall be held in the same manner and subject to the same taxes and assessments as property owned by any county or municipality.



Washington - H.B. 383, enacted as Ch. 142, authorizes the issuance of revenue bonds by counties for any county purpose from which revenues can be derived.

- S.B. 232, enacted as Ch. 118, amends the laws authorizing cities or towns to pledge revenues for payment of bonds issued to acquire, construct or improve a public utility.

Failed

Florida - H.B. 965, killed in committee, would have amended the Florida Rural Electric Cooperative Act provisions dealing with meetings of members (Sec. 425.09(7) Fla. Stats.) by prohibiting proxy voting, amplifying the provisions for mail voting, and prescribing voting hours. [Opposed by the Statewide as costly and interfering with prerogatives of membership.]

Maryland - S.B. 674 would have amended Electric Cooperative Act to require that unclaimed patronage refunds shall be paid to the county commissions in Calvert, Charles, Prince Georges and St. Mary's Counties in which the patron is a resident; the funds to be used for the general economic development of the county. [Opposed by the cooperative; the bill was essentially a revenue-raising measure, the introduction of which was triggered by publication of a list of unclaimed capital credits.]

Montana - S.B. 202, vetoed (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nebraska - L.B. 665, indefinitely postponed, would have established six service areas within the state to take over, own, and operate and control all properties and facilities of all existing power districts and to be solely responsible for furnishing electric utility services within each service area.

North Dakota - H.B. 726 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Oregon - S.B. 344 would have amended provisions of the peoples utility district law relating to the issuance and sale of revenue bonds.

Washington - H.B. 188 would have amended the PUD law to authorize the advertising and promotion of the sale and distribution of electric current and water.

- H.B. 205. would have amended the PUD law to authorize a PUD to perform work by regularly employed personnel not exceeding \$30,000 labor cost without a contract; to purchase materials, equipment and supplies not exceeding \$5,000 in any month without a contract; and revised other contract procedures.

- S.B. 234. would have authorized the state and its agencies and subdivisions to refund outstanding obligations.

### Pending

Alaska - H.B. 15, carried over to 1966 session, amends Sec. 29.50.050 to authorize municipal corporations to issue revenue bonds for public works, including electric power and light plants and distribution facilities, without an election; deletes utility districts.

California - A.B. 1554 authorizes municipal utility districts to issue revenue bonds to finance the reconstruction, replacement, acquisition or improvement of facilities for the generation, transmission or distribution of electricity rather than only for hydroelectric generation and associated transmission facilities.

Nebraska - L.B. 679 revises law conditioning further operation by any district operating in more than 50 counties upon amendment to provide for election of directors to assure broader representation of service areas, by extending its provisions to districts which serve more than 50 counties either alone or in association with another district or districts. [Note: Would extend law to NPPS system.]

- L.B. 762 requires merger or consolidation of districts engaged primarily in generation and transmission and having joint ownership and control of electric facilities; includes wheeling provisions of L.B. 760 (reported below under "Power Supply and Electric Lines, Pending"); prohibits further retail sales of merged districts and requires complete termination thereof by January 1, 1972; makes provisions for board of directors of merged district.

- L.B. 764, passed second reading 6/28/65, establishes a power district, designated the grid system, to take over management of districts operating separately or jointly electric facilities and transmission lines in more than 40 counties; provides for broad representation of service areas on board of directors; requires grid system to wheel power over any surplus line capacity; authorizes grid system wholesale customers to purchase power elsewhere if grid system has enough unit power and energy or transmission capacity; directs divestiture of retail facilities; prescribes methods of operation and control. [Supported by Nebraska Statewide.]

- L.Res. 71, that the Legislative Council appoint a committee to determine whether the State may serve as fiscal agent for the refinancing which may be required under L.B. 764 (see above).

- L.B. 809 creates the Southeastern Nebraska Public Power District as the sole supplier of retail electric service in Lancaster, Gage, Jefferson, Saline and Thayer counties, except for customers served by municipal systems; directs merger of all existing retail suppliers except municipals by 1/1/67 and makes their retail service unlawful after 1/1/68.

- L.B. 869 requires power districts engaged in joint venture or partnership, to conduct such business in joint meeting of the directors.

#### Commission Regulation

[ See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above. ]

#### Enacted

Maine - H.P. 846 (reported below, see "Power Supply and Electric Lines, Enacted").

Nebraska - L.Res. 58 recommends that power controversies be concluded by placing the generation and transmission of electricity under one newly created power agency and that this agency divest itself of retail customers as soon as possible (as provided in L.B. 764, see "Enabling Laws; Amendments, Pending," above), and if the legislature does not find this acceptable, that the authority of the Power Review Board be expanded to cover these purposes.

#### Failed

Colorado - H.B. 1414 would have added a new section to the Public Utility Act specifically exempting from the jurisdiction of the Public Utilities Commission municipally-owned utilities whether located wholly or partially within the municipality and specifically excluding from PUC jurisdiction purchases by or transfer to municipalities of utility properties or facilities.

Florida - S.B. 677 (H.B. 1402) would have removed the exemption in the Public Utility Law of sales of natural gas to direct industrial customers including municipal electric generating plants, and subjected such sales to regulation by the Public Utilities Commission.



Maryland - H.B. 27 would have amended Public Service Commission law to prohibit gas and electric companies from offering, paying or giving any inducements for the use of their services. [Submitted by the Legislative Counsel to clarify the Public Service Commission's authority over promotional payments, and introduced at instigation of the fuel oil industry.]

- S.B. 54 would have amended the provisions of the Public Service Commission law prohibiting discrimination in charges, to make an exception in the case of an electric company so as to permit rates based on the nature of the usage of the electricity used or on the kind of appliance.

Montana - S.B. 229 (see "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed", above).

Nebraska - L.B. 143, indefinitely postponed 2/9/65, would have abolished the Nebraska Power Review Board.

- L.B. 290, indefinitely postponed 4/30/65, would have amended Sec. 75-719 to authorize construction of transmission lines (over 700 volts) in advance of formal application to and approval by the Railway Commission and without prior written consent of railroads and telegraph companies. (Carries out fifth recommendation of Legislative Council Committee on Public Power.)

- L.B. 681, indefinitely postponed, would have subjected to Nebraska Power Review Board approval service rates of generation and transmission for electric power and energy to other public power districts with points of delivery in more than five counties; required generation and transmission districts to provide electric or wheeling service, or both, to any power district if capacity were available, terms and conditions to be established by the Board in the event of disagreement.

- L.B. 767, indefinitely postponed, would have required municipalities to secure Power Review Board approval for construction of generation or transmission facilities when an adequate and firm supply of power is available unless cost no greater than purchase from available source is demonstrated.

Nevada - A.B. 428 would have amended the public utilities act to prohibit any gas or electric company to offer or pay any compensation or reduced rates, or free appliances or equipment, except such as customarily supplied and essential for delivery and use of service, for the purpose of securing installation of the company's service or its continuance.

New Hampshire - H.B. 82, referred to the Legislative Council for interim study and report to the 1967 session, would have repealed RSA 38:1 which subjects accounts and records of municipal lighting and water systems to Public Utilities Commission control.

New Mexico - H.B. 201 would have extended the time for filing of applications for certificates of convenience and necessity by utilities engaged in wholesales for resale, and exempted such utilities from the commission supervision and inspection fees based on gross receipts. [Sponsored by Statewide to resolve the question of Public Service Commission jurisdiction over G&T cooperatives.]

Oregon - H.J.Res. 45 would have called upon the Public Utility Commissioner to request Oregon electric utilities to refund and reduce rates to reflect the reduction in Federal corporate income tax rates.

West Virginia - H.B. 750 (S.B. 146) would have prohibited utilities from selling, supplying, servicing or distributing appliances using their service.

Pending

Alabama - S.B. 31 prohibits any electric utility company operating within and under the laws and regulations of the State, from making connection or disconnection charges where no actual work or installation or removal of facilities is done on the premises; to be enforced by the Public Service Commission.

Illinois - S.B. 896 prohibits a public utility from selling both gas and electricity to the public.

Nebraska - L.B. 288 requires the expansion of the chartered territory of each district (including those jointly operated) to include its entire service area, including its retail distribution area, and its wholesale distribution area, defined as the aggregate of the retail distribution areas of public utilities supplied by the selling district by transmission lines under firm energy contracts with terms of 5 years or more. Makes specific provisions with respect to exclusion or inclusion of service areas, and the segregation of service areas where systems are jointly operated. In case of noncompliance, Department of Water Resources is given authority, upon complaint of any district, and notice and hearing, to enforce compliance, utilizing the Power Review Board if desired. (Carries out fourth recommendation of Legislative Council Committee on Public Power of broad representation for boards of directors of power districts.)

- L.B. 289 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Pending").

New Jersey - A. 258 amends the public utilities act provision prohibiting rate preferences to permit service to employees of electric and gas utilities at reduced rates.

New York - A. 3073 amends Public Service Law by prohibiting the sale of household appliances by gas or electric corporations or other public utilities.

- S. 1847 (A. 2084) amends Public Service Law to prohibit estimated billing by electric corporations for any two consecutive billing periods.

Pennsylvania - H.B. 509 amends the public utility law to require public utilities to read meters at least once a month.

- H.B. 1468 and H.B. 1469 subject authorities created under the municipality authorities act to Public Utility Commission regulation with respect to any services they render which are such as performed by regulated utilities.

## Taxation

### Enacted

Illinois - H.B. 1181 (S. 780), approved 7/16/65, increases from 2 to 3% the tax on gross receipts from sales of electricity consumed and not for resale.

New Mexico - S.B. 254 provides for taxation of property belonging to municipal electric utilities.

North Carolina - H.B. 609, enacted as Ch. 517, amends the gross receipts franchise tax act by requiring wholesale suppliers of power to include wholesales to electric membership corporations and permitting such corporations to deduct the amounts paid for wholesale energy to their vendors.

- H.B. 255 (S.B. 95) eliminates tax exemption of electric cooperatives (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted").

- S.B. 97 and 98 continue tax exempt status of two electric cooperatives (reported above under "Enabling Laws; Amendments, Enacted").

North Dakota - S.B. 41 amends the electric cooperative law by abolishing the exemption from excise taxes (approved by the Statewide association).

- S.B. 42 provides for the payment in lieu of advalorem property taxes, by rural electric cooperatives operating generating plants of over 100,000 KW capacity, of an annual franchise tax of one percent of gross receipts for the first two years of operation, and thereafter two percent, and \$150 per mile on transmission lines of 230 KV or larger; provides procedures and formula for collection and distribution of the taxes collected. [Sponsored by a G&T cooperative.]



- H.B. 944 amends Sec. 57-03-04 ND Code, which imposes a gross receipts on electric cooperatives in lieu of personal property taxes, by adding provisions authorizing incorporated cities or villages in which consumers are served by an electric cooperative to impose an annual tax based on the value of the cooperative property located therein.

Utah - S.B. 167, effective 7/1/65, amends Sec. 59-15-4(b)(2) by deleting the exemption for electric cooperatives from the 2/5% sales tax on electricity sold or furnished for domestic or commercial consumption.

Vermont - H. 318, passed House and Senate, amends act restricting electric energy tax to hydroelectric energy when an atomic energy plant of not less than 200,000 KW capacity has been placed in commercial operation in Vermont.

Failed

Arkansas - S.B. 13 would have exempted from the gross receipts tax sales to public electric companies of transformers used as part of the primary electric power generating and distribution systems.

- S.B. 147 would have eliminated the exemption of electric transformers and meters from the Use Tax Act.

Kansas - H.B. 870 would have imposed a state tax of 1/2 mill per kwh on all electric energy generated in Kansas.

Minnesota - S.F. 1811 (H.F. 1943) would have provided for assessment by Commissioner of taxation at 5% of the full and true value of the proportion of any fossil or nuclear fueled power plant constructed after 7/1/65, which is used to furnish power for the mining, transportation, or concentration of taconite. [S.F. 1811 passed the Senate with an amendment which extended the bill to include cooperative power plants but was tabled in the House.]

Montana - S.B. 203 and S.B. 229 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

North Dakota - S.B. 126 and S.B. 127 would have amended the statutes dealing with cooperative taxation to provide for taxation of cooperative generating plants of over 100,000 KW capacity and transmission lines of 230 KV capacity or more. [See S.B. 42, "Enacted", above.]

Oregon - S.B. 254 would have exempted the interest on all bonds issued by any State agency, political subdivisions, quasi-municipal or other public corporations or bodies from State taxation.

South Carolina - H. 1747, tabled in House 5/26/65, would have placed electric distribution cooperatives on the same tax basis as investor-owned power companies, including income tax, license fees, and advalorem taxes, and repealed existing exemptions. [Similar provisions were added to the general appropriations bill in the House but were deleted in the Senate.]

- H. 1853, would have exempted from sales tax gross proceeds from sales of electricity to radio and television stations.

Tennessee - S.B. 182 (H.B. 281) would have eliminated the 3% sales tax on electricity.

- S.B. 581 (H.B. 751) would have authorized municipal electric systems to transfer revenues into general funds as payments in lieu of taxes, and to contract for the distribution of such funds among governmental units in the service area.

#### Pending

California - S.B. 1223 eliminates the exemption from sales and use taxes of gross receipts on sales of electricity and other utility services.

Michigan - H.B. 2800 provides for assessment by the State Tax Commission of the property of electric utility companies, in the same manner as provided for other utilities.

Nebraska - L.B. 647 repeals provisions of law (Sec. 70-651.01 through Sec. 70-651.05) relating to payments in lieu of taxes by public power districts.

New York - S. 4605 (A. 6080) amend generally the sales and use tax laws, including a provision in Ch. 93, Laws of 1965, to exempt sales of electricity used directly and exclusively in research and development in the experimental or laboratory sense.

- S. 4506 (A. 5989) exempt from the sales and use tax law (Ch. 93, Laws of 1965) sales of electricity used directly and exclusively for heating, lighting, cooking or refrigeration.

Pennsylvania - H.B. 948 exempts from the sales and use tax the sale at retail or use of electricity in dwelling houses.

Power Supply and Electric Lines

Enacted

Arkansas - H.B. 2, approved and effective 1/25/65, Act 4, authorizes public utilities to contract, subject to Public Service Commission approval, for definite terms of no more than 25 years, on an interruptible basis, for the use of their service for manufacturing, generation, processing, preparation of products, or industrial purposes.

Iowa - H.F. 45, approved by Governor 5/4/65 and effective upon publication, amends Sec. 489.14 Code 1962, as amended, by increasing the maximum right-of-way which may be franchised by the Iowa Commerce Commission to be taken by eminent domain from 100 to 200 feet for lines of 200 KV or higher voltage, and providing for reversion of the right-of-way in the event of abandonment or non-use for 5 years. [Sponsored by Iowa Statewide.]

- S.F. 97 (H.F. 188) authorizes municipal utilities jointly to own and operate electric generation and transmission facilities among themselves or with cooperatives and others.

- S.F. 525 establishes procedures for obtaining franchises to cover rights acquired by eminent domain.

Maine - H.P. 846 (L.D. 1147), effective 9/2/65, Ch. 446, empowers the Public Utilities Commission, upon its own motion or application, to order any municipally-, cooperatively- or privately-owned electric utility temporarily to transport electric energy over its transmission or distribution lines, at a reasonable charge and as directed by the PUC, to alleviate an electric power shortage which exists by reason of an emergency.

Oklahoma - S.B. 234, approved 5/27/65, ratifies the Kansas-Oklahoma-Arkansas River Basin Compact, providing for apportionment and orderly development of the waters of the Arkansas River Basin.

Oregon - H.B. 1467, enacted as Ch. 185, increases the state license fees for hydroelectric development projects from 15¢ to 25¢ per hp up to 50, and from 5¢ to 15¢ per hp over 50.

- S.B. 286, enacted as Ch. 333, makes the regulatory provisions of the laws relating to hydroelectric development inapplicable to regulated public utilities.



Failed

Iowa - H.F. 611 would have amended Ch. 489, Code 1962, relative to procedure in obtaining electric transmission line franchises, and makes provision for issuance by the Commerce Commission of temporary construction permits, where no eminent domain is involved, for lines not exceeding one mile in length.

Maine - S.P. 214 (L.D. 673) would have authorized Eastern Electric Cooperative to develop the Mattawamkeag River power project and to exercise the right of eminent domain therefor. [Sponsored by the cooperative but was abandoned when S.P. 538 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted") was enacted eliminating the prohibition against cooperative exercise of eminent domain.]  
- S.P. 321 (L.D. 1070) would have created the Maine Power Authority to develop the power resources of the Upper Saint John River by building hydroelectric power projects and transmission lines, to issue revenue bonds, and market and interchange energy, etc.

New Mexico - S.B. 12 would have made available to electric utility companies the special alternative procedure for eminent domain, including taking of possession prior to judgment, which was established for state highway purposes.

Oregon - S.B. 390 would have established the Oregon Power Development Commission to develop the hydroelectric resources of the state.

Washington - H.B. 606 would have ratified and enacted the Columbia Interstate Compact.

Pending

California - A.B. 895 amends section 285 of the Penal Code making it a misdemeanor to operate, place, erect or move tools, machinery, equipment, buildings or structures so that they are within six feet of a high-voltage (over 750 volts) overhead conductor.

- S.C.Res. 77 requests Department of Water Resources, Office of State Planning, to study together with utility companies and districts and the Public Utilities Commission, the planning and location of the proposed P.G.&E. 500 KV lines to traverse the Sacramento Valley.

Michigan - H.B. 215 authorizes villages to enter into contractual relations with other government units to sell services performed by the villages.

Missouri - H.B. 625 authorizes the Director of State Parks to give West Central Electric Cooperative an easement for electric transmission lines through Knob Noster State Park.

Nebraska - L.B. 760 requires public power district deriving at least 50% of its revenue from wholesale sale of energy to sell power to any municipality, district or cooperative if it has or can obtain the energy. If wholesale district fails or refuses to deliver or has inadequate transmission facilities, then the agency requesting service may provide necessary facilities and connect to the wholesale district facilities. Facilities of both are to be available for wheeling power to other power agencies. [See also L.B. 762, "Enabling Laws; Amendments, Pending", above.]

- L.B. 789 amends existing statute relating to establishing of municipal utilities, including electricity, by authorizing cities and villages to contract by resolution of the council or board of trustees, without a vote of the electors, for the furnishing of electricity to the city and its inhabitants by any public power district chartered to serve the county, if no tax or issuance of bonds is required, or for the sale, lease or transfer of municipal electric facilities to such districts.

- L.Res. 16 provides for appointment by the Legislative Council of a committee of nine to continue the study of public power in Nebraska, and the need for planning public power supply. (Carries out seventh recommendation of Legislative Council Committee on Public Power.)

New Hampshire - H.B. 397 requires that all electric lines be installed underground after 7/1/65, and that all existing lines be placed underground within 20 years.

New York - S. 1856 (A. 2780) amend transportation corporations law to prohibit condemnation of real estate for the installation of overhead high power transmission lines in any city, town, village or county covered by zoning laws without having a map of the route on file with the designated official for five years, obtained the written agreement of every property owner along and within 1,000 feet of the route, and after public hearing at which the governing body votes by a 2/3 majority to authorize such lines; also prohibits such lines across state lands without prior written permission or easement from the state.

- S. 1437 (A. 2926) create a temporary state commission to investigate power rates being charged by the New York State Power Authority to determine if the rates are excessive and how they may be reduced; to report to the 1966 legislature.



Oklahoma - H.B. 1119 (S.B. 504) would establish the Oklahoma Industrial Power Authority to establish facilities for production of power, energy, water, etc., including construction of a steam generating plant near Catoosa and Locust Grove, to issue bonds not exceeding \$45 million for such purposes, and to establish rates for the services sold.

Pennsylvania - H.B. 806 requires electric utilities before acquiring property or easements, to submit their plans to the county planning commission.

Wisconsin - A.B. 790 authorizes establishment of standards for electric transmission line pole warning signs.

- A.J.Res. 10 directs the joint legislative council to conduct a study of state assistance to municipalities for the taking over for flood control purposes of dams on the Willow and Apple Rivers proposed to be abandoned by Northern States Power Company.

#### Electrical Licensing and/or Inspection; Professional Registration

##### Enacted

Iowa - S.C.Res. 31 directs the Legislative Research Bureau to study need for legislation providing for a state electrical code and the licensing and inspection of electrical installation.

Montana - H.B. 246, approved by Governor 3/25/65, effective 7/1/65, Ch. 148, 1965 Session Laws, enacts the Electrical Safety Law, establishing a State Electrical Board for the licensing of electrical contractors and electricians, the establishment of construction standards, and the inspection of electrical installations; prohibits energization by power suppliers, including cooperatives, without inspection tag issued by the board (electric public Utilities and work by owner on own property are exempted).

Washington - S.B. 346, enacted as Ch. 65, makes it unlawful to erect, place or maintain any electrical apparatus or construction except in accordance with the standards specified therein.

West Virginia - H.B. 677 (S.B. 118) adopt the National Electrical Code as minimum standard for installations, etc., in factories, mercantile establishments, mills or workshops.

Failed

Arizona - H.B. 82 would have established a Board of Engineer Examiners and provided for licensing of stationary engineers operating engines for generation of power.

Arkansas - S.B. 254 would have established a State Board of Electricity, provided for the licensing of electricians and electrical contractors, and for the inspection of electrical installations; adopted the National Electrical Code as prima facie evidence of approved methods of construction; and exempted work in connection with property of public, municipal and cooperative utilities, and work in municipalities having licensing and inspection laws.

Colorado - H.B. 1168 and H.B. 1361 would have amended existing laws providing for the licesning of electrical contractors by providing for representation on the State Electrical Board of electric utilities including cooperatives, adopting the 1962 National Electrical Code as minimum standards, requiring licensing and inspection of electrical work by owner of rental property, and by adding provisions for electrical inspection.

Florida - H.B. 1464 would have established a Board of Electrical Contractor Examiners for the licensing of electrical contractors in Orange County.

- H.B. 1976 (S. 1095) would have enacted Electrical Contracting Registration Act, for the regulation and licensing of electrical contractors; prohibited electrical work by unlicensed persons; provided for licensing on a statewide or limited geographical basis, and for general or specialty licensing; and exempted employees of utilities engaged in the sale of electrical power in the state.

- H.B. 1977 (S.B. 1094) would have enacted Electrical Safety Code Act, creating a Board of Electrical Contracting to issue permits for and inspect electrical installations except in areas which have local regulation, and adopting the National Electrical Code as minimum standards.

Idaho - H.B. 10 would have changed from 2 to 3 years the period of work as a journeyman electrician or apprentice electrician to qualify for a journeyman electrician's license.

Iowa - H.F. 481 (S.F. 480) would have established state board for the licensing of electricians, and provided for inspection of installations.

Kansas - H.B. 1078 would have established the Kansas Electric Administrative Board, to establish standards for electrical equipment and its installation conforming to the National Electrical Code, to license electrical contractors and journeymen electricians to issue permits for electrical work, and to provide for electrical inspection; exempted electric and telephone utilities including cooperatives, and installations by an occupant-owner of a house or farm.

Maine - S.P. 383 (L.D. 1199) and S.P. 540 would have amended electricians licensing laws.

Maryland - H.B. 537 would have required an electric company to connect service without prior inspection if the premises are not inspected within seven days after owner has given notice of readiness of inspection.

Minnesota - S.F. 515 would have amended Sec. 326.24(2) Minn. Stats. 1961, to provide that the State Board of Electricity shall have no jurisdiction, or authority over, or the right to inspect, installations, materials or equipment which are owned, leased or operated or maintained by a utility and are located on the utility side of the point of attachment with consumer-owned facilities. [Sponsored by the Statewide to clear up misunderstanding as to the jurisdiction of the State Board.]

- S.F. 789 (H.R. 938) would have amended the laws relating to inspection of electrical installations by adopting the National Electrical Code, 1962 Ed., as prima facie evidence of reasonable standards.

- S.F. 1127 would have amended the laws relating to inspection of electrical installations by specifically including rewiring as well as new installations and by updating the reference to the National Electrical Code, 1962 edition.

- S.F. 1859 would have amended the laws establishing State Board of Electricity by providing for representation thereon of public members not connected with the electrical industry.

- S.F. 1803 (H.F. 1933) would have created an interim commission to study the desirability of establishing new methods of administering inspection of electrical installations and establishing new standards of reasonable inspection; to report to the Legislature not later than January 15, 1967.

Nebraska - L.B. 605, indefinitely postponed, would have established a State Electrical Division and a State Electrical Board, to adopt rules and regulations governed by the National Electrical Code, 1962 ed., to examine and license electrical contractors and journeyman electricians; exempted employees of utilities, including public and cooperative, and individuals doing electrical work in their own homes.



New Mexico - H.B. 125 would have amended the laws relating to the examination and licensing of electrical contractors and journeymen electricians, including increase from \$50 to \$200 of the fee for any examination or license.

- H.B. 135 would have amended the contractors and electricians licensing law by spelling out requirements for eligibility for an electrical contractors or journeyman electrician license, establishing an examination or license fee of \$200, and specifying circumstances under which licenses terminate.

North Carolina - H.B. 548 would have amended the law relating to privilege licenses for electrical and other contractors by specifically including installers of air conditioning equipment.

Oregon - H.B. 1561 would have amended the electrical licensing law to permit installation by a regular employee of a person on the employer's property.

Utah - H.B. 194 would have required the director of the Utah state building board to maintain on file in his office current copies of the National Electrical Code, National Electrical Safety Code, and the Rules, Regulations and Standards of the Underwriter's Laboratories, Inc., which shall be accepted in any Utah court as conclusive evidence of approved methods, regulations and standards.

Washington - H.B. 342 would have amended the electrical contractors licensing law by prohibiting the issuance of a license unless the prescribed qualifications are met.

West Virginia - H.B. 530 (S.B. 117), vetoed by Governor, would have amended electrical contractor and electrician law by providing for recognition of licenses issued by cities or towns; exempts permanent public utility employees from license requirement for work done on premises.

Wyoming - H.B. 272 would have repealed Ch. 75, Law of 1963, establishing the State Electrical Board.

#### Pending

California - A.B. 2651 creates State Board of Professional Inspection, with authority to certify professional inspectors including professional electrical inspectors who meet statutory qualifications.

- A.B. 2921 amends statute creating State Board of Registration for Civil and Professional Engineers to include requirement for registration of electrical engineers.

New Jersey - S. 120 amends the Electrical Contractors Licensing Act of 1962 by adding provision for a limited "residential electrical contractor's license" for contractors limiting their work to residential premises used by not more than 2 families.

Oklahoma - H.B. 1024 authorizes the establishment of a joint City and County Electrical Examining and Appeals Board in any county including a city with population of 30,000 or more, to examine and license electricians and electrical contractors, provide for electrical inspections, and adopt an electrical code; exempts regulated utilities.

Pennsylvania - H.B. 707 enacts an Electrical Contractors Registration Law.

- H.B. 708 creates a State Board of Examiners of Electrical Contractors.

### Atomic Energy - Radiation Regulation

#### Enacted

Colorado - S. 231 enacts the Radiation Control Act, designating the State Department of Public Health as the state radiation control agency.

Georgia - S.B. 35, Act 297, authorizes the Department of Public Health to enter into cooperative agreements with the Federal Government, other states, or interstate agencies, to perform inspections and other functions relating to the control of ionizing radiation.

North Carolina - H.B. 544 enacted as Ch. 858, enacts the Southern Interstate Nuclear Compact.

North Dakota - S.B. 202 enacts a radiation control act, designating the State Department of Health to administer a licensing and regulatory radiation program, and authorizing cooperative arrangements with the Federal Government.

Oklahoma - S.B. 496 (H.B. 510), approved 6/16/65, enters Oklahoma into the Southern Interstate Nuclear Compact.

South Dakota - S.B. 32 amends the workman's compensation law relative to injuries or death resulting from exposure to ionizing radiation.

South Carolina - S. 15, approved 2/26/65; amends the law ratifying the Southern Interstate Nuclear Compact so as to add the State of Missouri to the Compact.

Tennessee - S.B. 656 (H.B. 771), enacted as Ch. 240, amends the Southern Interstate Nuclear Compact to include Missouri.

Washington - S.B. 15 (H.B. 15), enacted as Ch. 38, amends the laws relating to the development, regulation and utilization of sources of ionizing radiation.

- S.B. 34 (H.B. 34), enacted as Ch. 10, establishes in the Department of Commerce and Economic Development a Nuclear Energy Development Division to promote development of nuclear energy.

Failed

Colorado - S. 133 would have authorized the State Department of Public Health to license radiation materials and register all sources of ionizing radiation other than radioactive materials and to enter into agreements with the Federal Government, other states, or interstate agencies, to perform inspections and other functions relating to control of ionizing radiation; and authorized the Governor to enter into agreements with the Federal Government for the state to take over responsibility therefor.

Florida - H.B. 2035 would have amended the Florida Nuclear Code.

Montana - H.B. 350 would have designated the State Board of Health as the state radiation control agency to regulate sources of ionizing radiation compatibly with Federal regulation and to license and register persons handling radioactive material.

New Mexico - H.B. 350 would have amended the state radiation control act by authorizing cooperative agreements with the Federal Government, other states or interstate agencies.

Utah - H.B. 143 would have empowered the State board of health to require registration of ionizing radiation sources and to conduct a radiation control program.

Washington - H.B. 500 (similar to H.B. 34) (S.B. 34) [see "Enacted," above] would have established a revolving fund for nuclear energy development.

West Virginia - S.B. 5 (H.B. 510) would have established the West Virginia nuclear energy and space commission for the regulation and possession of sources of ionizing radiation.

Wyoming - H.B. 77 (S.F. 142) would have authorized agreements for the State takeover of authority to license and regulate the production of material or machines emitting ionizing radiation and provided for State Board of Health to regulate same.



Pending

Alabama - S.B. 164 appropriates funds for support of the Southern Interstate Nuclear Board (\$3,500 for fiscal 1966 and for fiscal 1967).

Michigan - H.B. 2009 authorizes the Governor to contract with the Federal Government for the state to assume responsibility with respect to regulating sources of ionizing radiation.

Missouri - S.B. 270 amends the law establishing the Commission on Atomic Energy and ratifies the Southern Interstate Nuclear Compact.

New Hampshire - H.B. 58 amends the 1963 Radiation Control Act by establishing a Radiation Advisory Committee, and assessing annual fees for licenses and registration.

Oklahoma - S.B. 125 imposes liability on the operator of a nuclear facility, without proof of fault, for off-site injury arising out of a nuclear incident.

Pennsylvania - S.B. 295 enacts the Atomic Energy Development and Radiation Control Act.

Disposition of Unclaimed Property

Failed

Colorado - S.B. 315, indefinitely postponed in Senate on 4/19, would have authorized rural electric cooperatives to retain unclaimed capital credits and use same for educational or charitable purposes. [A substitute proposal was sponsored by Statewide to offset effect of enactment of H.B. 1166, see "ELECTRIFICATION AND TELEPHONE, Disposition of Unclaimed Property," below.]

Miscellaneous

Enacted

New Mexico - H.B. 116, enacted as Ch. 21, amends municipal revenue bond act to include electric systems in term "municipally owned utility."

Failed

Nebraska - L.B. 24, indefinitely postponed 2/9, requires that when the profits of any power supplier exceed the amounts needed, including necessary improvements and additions and repayment of indebtedness, the excess shall be applied only to reduction of rates; penalty-removal from office of director. (Carries out first recommendation of the Legislative Council Committee on Public Power.)

Pending

California - S.B. 613 authorizes county supervisors to adopt fee schedule for testing electric and other meters used to calculate payments under private contracts not subject to PUC jurisdiction.

Illinois - H.B. 1025 amends Eminent Domain Law to permit the taking or damaging of public utility property by a city, village or incorporated town without the prior approval of the Illinois Commerce Commission.

Pennsylvania - H.B. 305 amends the law providing for the settlement of public utility labor disputes by eliminating the prohibition against work interruptions during mediation and by deleting the prohibition against employees leaving employment in concert or agreement with others.

### III. ELECTRIFICATION AND TELEPHONE

#### Enabling Laws; Amendments

##### Enacted

Iowa - S.F. 113, enacts the Iowa Nonprofit Corporation Act governing the incorporation of nonprofit corporations for any lawful purpose.

Maryland - S.J.Res. 1, approved 5/4/65, requests the Governor to appoint a commission to review the provisions of the corporation laws dealing with membership corporations, special types of corporations, and corporations with limited number of stockholders.

Oregon - S.B. 312, enacted as Ch. 632, revises the laws governing business, nonprofit and cooperative corporations.

South Dakota - H.B. 894, enacts the South Dakota Nonprofit Corporation Act.

- H.B. 895, amends and reenacts the South Dakota laws relating to cooperative corporations (Ch. 11.11 SDC).

##### Failed

Colorado - S.B. 340 would have amended Sec. 31-19-14, Colo. Rev. Stats. 1963, authorizing any foreign nonprofit corporation to conduct its affairs in Colorado without obtaining a certificate of authority or otherwise qualifying.

Washington - H.B. 263 would have enacted a new Nonprofit Corporation Act.

##### Pending

Michigan - S.B. 90 adds a new section to the General Corporation Act relative to the qualification of foreign corporations to do business in Michigan.

#### Commission Regulation

[See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above.]

##### Enacted

Florida - S.B. 646 (H.B. 1165) changes the base year for computation and the date of payment of the tax of 1/25th of 1% of gross revenues but not less than \$25 annually) from intrastate business into the Public Utilities Regulatory Trust Fund.

- S.B. 9 changes the name of the Florida Public Utilities Commission to Florida Public Service Commission.



- S.B. 152 amends the Florida Public Utilities Commission law dealing with the qualifications and oath of office of commissioners to prohibit ownership of any utility stock or bonds and any interest in a utility company.

Idaho - H.B. 250, approved 3/26/65 as Ch. 215, extends from 2 to 3 years the period for filing complaints with the Public Utilities Commission concerning excessive or discriminatory charges.

- H.B. 193, approved 3/13/65, amends Sec. 62-211 Idaho Code to authorize a hearing examiner to undertake or hold any investigation, inquiry or hearing for the PUC and to represent the PUC in actions and proceedings.

New Mexico - S.B. 198 enacted as Ch. 289, amends the Public Service Commission Act with respect primarily to procedures and administrative matters; repeals Sec. 68-11-5 which provided for consumers' counsel.

North Dakota - H.B. 547 amends the public utility law relative to rate charges.

Utah - H.B. 72 adds Sec. 54-5-1.5, Utah Code Annotated, imposing a new special fee on public utility business and operations, to be fixed and collected by the state tax commission, but not to exceed .25% of gross operating revenues, as required for the administration, support and maintenance of the Public Service Commission.

#### Failed

Florida - S.B. 624, tabled 5/19/65, would have authorized the Public Utilities Commission, in regulating rates, to consider the adequacy and value of the service rendered, and the utility's ability to improve service; and directed that service complaints be heard during rate proceedings.

- S.B. 90 would have increased the membership of the PUC to five and provided for staggered terms.

Idaho - H.B. 169, (H.B. 200) would have required the Attorney General to appoint an attorney to represent the people in PUC rate hearings and appeals.

Illinois - H.B. 1426, unfavorably reported 6/8/65, would have amended the Public Utility Law to prohibit any public utility from furnishing any inducement or equipment for installation of equipment or the discontinuation of the use of the equipment or services of another.

Iowa - H.B. 605 would have amended the 1963 utility regulatory law by redefining utilities regulated to include those "furnishing electricity, directly or indirectly, to the public for compensation," and allowing the Commerce Commission to impose conditions on the discontinuing, reducing or impairing of service.

Maryland - S.B. 304 would have amended Public Service Commission law to prohibit discontinuance of utility service except upon 30 days notice.

Nevada - A.B. 588 would have amended the public utilities act by empowering the commission to regulate promotional activities and advertising.

- S.C.R. 12 would have directed the Legislative Commission to study and report on the Public Service Commission and public utility law.

New Mexico - S.B. 120 would have established an interim joint legislative committee to examine statutes, constitutional provisions, regulations and court decisions concerning public utilities, the policies and rates of utilities, and the effectiveness of present laws, and to report to the 1967 legislature.

- H.B. 195 would have merged the Public Service Commission and the State Corporation Commission, and amended the PSC law to place the burden of proof in rate cases on the applicant or complainant.

Oregon - H.B. 1131 would have abolished the authority of public utilities to grant stock options subject to the Public Utility Commissioner's approval.

South Carolina - S. 251 would have appointed a legislative committee to study the Public Service Commission.

Washington - H.B. 406 would have amended the public service corporation law to direct the Public Service Commission, on petition of the company's customers, to investigate excess earnings of gas, electric, water or telephone companies, and to initiate a rate proceeding if excess earnings are found.

- H.B. 421 would have required excess earnings of a public service company to be placed in a reserve fund and applied as earnings in any year when a reasonable rate of return is not earned.

#### Pending

California - A.B. 1557 amends Public Utilities Code to require PUC, in approving construction of public utility facilities, to consider aesthetic values.

Illinois - H.B. 974 amends Public Utility Act to require that 10 days written notice be given of any hearing to the owners of property required to be taken or damaged in connection with the utility construction or repair involved in the hearing.

- S.B. 758 (H.B. 1147) amend Public Utility Act to authorize any regulated utility to agree with municipality operating a sewage plant to terminate its service to any consumer certified by the municipality as delinquent in paying for sewage service.



Missouri - H.B. 197 prohibits public utility from offering or paying any compensation or furnishing any equipment to secure installation or use of its service except upon approval thereof by the Public Service Commission.

- H.B. 296 authorizes cities of the fourth class any any incorporated town or village in any county of the first class with a charter form of government (St. Louis County) to license, tax and regulate public utilities; authorizes such county to license, tax and regulate public utilities in the unincorporated areas of the county.

- H.B. 594 authorizes Public Service Commission to prescribe temporary rates pending final determination in a rate proceeding.

- H.B. 289 passed House 4/7/65, Senate 6/28/65, eliminates the \$400,000 limitation on regulatory fee of 8/100 of 1% of total gross intrastate operating revenues.

New Hampshire - H.B. 760 prohibits disconnection of service by any regulated public utility for nonpayment of bills until 60 days after due date and seven days written notice in addition.

Ohio - H.B. 267 requires public utilities to adjust rate schedules, subject to commission approval, to give effect to the reduction in Federal income tax.

- H.B. 694 amends public utility law to establish actual legitimate cost less recorded depreciation in valuing utility property for rate purposes and prescribes a formula for fixing rate of return.

Pennsylvania - H.B. 807 amends public utility law to require finding by Public Utility Commission, before any public utility exercises the power to appropriate property, that the proposed facility is designed and located to do minimum injury to public and private property and to the public economy, including existing public facilities and improvements.

- H.B. 1032 amends the public utility law to prohibit any public utility from offering or giving inducements or subsidies for the use of its service.

## Taxation

### Enacted

Arkansas - H.B. 347 (S.B. 165), enacted as Act 125, and effective upon approval, subjects personal property of or leased by contractors procured outside the state and used, stored or consumed in performance of a contract within the state, to 3% tax under the Compensatory Tax Act; makes provision for withholding of sums due contractors or subcontractors.



Illinois - H.B. 1182 (S.B. 777) approved 7/16/65, provides that when the taxes paid by a utility exceed 3% of gross receipts; customers may be charged an additional amount to cover the excess.

New Hampshire - H.B. 151, approved 3/19/65 and effective 5/18/65, Ch. 13, authorizes the state tax commission to adjust the assessment of public utility property to bring it into proportion with the general level of assessment of other property throughout the state.

#### Failed

Alaska - H.B. 129, adversely reported in House on 3/9/65, would have prohibited the imposition of municipal sales tax on any utility service delivered outside municipal limits.

Florida - H.B. 2077 would have authorized Clay County to levy a tax not exceeding 7% of the first \$50 per month received on purchases of electricity, local telephone service, gas and fuel oil; exempts sales of natural gas to utilities, including municipals and cooperatives.

Oklahoma - H.B. 1003 would have levied an assessment of 2 mills of the gross operating revenues from intrastate business on all public utilities to defray the expense of regulation by the Corporation Commission.

South Carolina - S.367, concurrent resolution, passed Senate, defeated in House, that the Tax Study Commission and Tax Commission hold joint hearings to determine whether Sec. 65-256, 1962 Code, should be repealed or amended to permit the deduction of rents and interest by public service corporations in determining net income for income tax purposes; to report to the 1966 session.

West Virginia - H.B. 939 would have subjected sales of tangible property by any public service or utility business to the Business and Occupation Tax.

#### Pending

California - S. 1171 imposes sales and use tax of 2% on retail sales of electric and telephone and other utility services.

- S. 426 deletes requirement that local sales and use tax ordinances exempt communications, electric and other services furnished by public utilities subject to PUC regulation.

- A.B. 1086, adopted in Assembly and Senate with amendments, exempts from sales and use tax on tangible personal property, telephone and telegraph lines, electric transmission and distribution lines and poles, towers or conduits.

Michigan - H.B. 2738 enacts the "Pole Tax Act of 1965" levying a special excise tax of \$1.00 per year per wooden pole, \$2.00 for steel poles and \$5.00 for poles made of aluminum, magnesium, deriuitim or other material used to support lines for the transmission of electricity or communications.

New Hampshire - H.B. 22 reduces the rate of interest on past due utility taxes from 10 to 6 percent.

New York - A. 5869 amends the sales and use tax law to exempt machinery or equipment used directly in the production of electricity, and telephone central office equipment.

### Electric and Telephone Construction

#### Enacted

Arkansas - H.C.R. 79 urges public utilities and industries to cooperate in promoting and preserving the beauty and cleanliness of the state, and to replace unsightly telephone and light poles by underground installations, and to refrain from production methods that produce smog, dirt and grime or air pollutants.

California - S.B. 331, approved 6/14/65, Ch. 644, adds section 21645 to the Public Utilities Code, prohibiting any public utility construction near an airport open to public use unless FAA determines it is not hazardous.

#### Failed

Arkansas - H.B. 545 would have required restoration to former condition of any hard surface county road damaged in the construction or maintenance of utility facilities.

Indiana - S.B. 111 would have repealed existing and enacted new laws relative to the terms of and procedures for granting utility franchises by cities and towns.

Kansas - H.B. 749 would have required any entity acquiring by purchase or condemnation rights-of-way for transmission of communications or electric power, etc., to remove all stone, rock, debris and other obstacles from the rights-of-way within 60 days after completion of construction, unless owner agrees otherwise; provided for recovery of triple damages.

Michigan - S.B. 599, amends the law dealing with marketable record titles to make it inapplicable to bar or extinguish an easement, evidenced by recorded instrument, where the existence of the easement is evidenced by the location beneath, upon, or above the land of any wire, cable, pole, tower or other physical facility whether or not such facility is observable.

Missouri - H.B. 234 (S.B. 362), passed House 4/7/65, failed in Senate 6/29/65, would have required that all equipment and facilities for distribution of electricity or communications, whether municipally, mutually, cooperatively or privately owned shall be safely designed, constructed and maintained, and shall conform to the minimum clearances and other standards ordered by the Public Service Commission; recognizes compliance with National Electrical Code as compliance with the statutory requirements.



North Carolina - H.B. 966 would have required any electric or telephone company acquiring an easement by contract or condemnation, to remove stumps, etc., in clearing timber or brush and to replant; also to give the landowner the option of retaining his timber.

Pending

California - A.B. 104 provides that an easement acquired by a public utility for a limited purpose may not be used for any other or additional purpose without the owner's express written agreement.

New Hampshire - H.B. 234 authorizes utilities, where ownership of real estate is unknown, or before filing petition with commission, to enter thereon for the purpose of determining the location of facilities.

New York - S. 3467 (A. 5341) amend the transportation corporations law to require that any new electric transmission lines of more than 33 KV shall be placed underground when located within any incorporated community having a population of 5,000 or more, or when located within specified distances from larger cities; to require all electric and telephone lines be removed from the surface of all city streets and avenues by 11/1/85; and to prohibit any city from granting an exclusive franchise or privilege by which a monopoly may be created or competition prevented on equal terms.

- S. 4075 authorizes town boards to regulate the erection of utility transmission lines or wires, including requirement of underground construction.

Contractors and Professional Registration

Enacted

Arkansas - H.B. 504, approved and effective 3/9/65, Act 150, recodifies acts establishing the Contractors Licensing Board, regulating contractors on jobs involving \$20,000 or more.

Indiana - H.B. 1048, enacted as Ch. 284, amends existing laws for the regulation of engineering and land surveying.

Kansas - H.B. 615 amends the Professional Engineers License Act by amending definitions and fee requirements.

Nevada - A.B. 234, enacted as Ch. 400, amends existing laws for the regulation of professional engineers and land surveyors.

New Mexico - S.B. 243 (Ch. 281) amends contractor's licensing law by requiring filing of surety bond graduated in accordance with gross annual business.

Texas - S.B. 74 (H.B. 123) enacts the Texas Engineering Practice Act, providing for the regulation of engineers and the practice of engineering. [Cf. S.B. 512 (H.B. 1086), under "TELEPHONE, Miscellaneous, Enacted," below.]



Failed

Arizona - H.B. 174 would have established a Board of Professional Engineers, replacing the functions of the Board of Technical Registration with respect to engineers and engineering, and establishing requirements for registration of engineers and for certification as an engineer-in-training; would have exempted full-time utility employees with respect to work solely for employer.

Colorado - S.B. 100 would have enacted a new act providing for the regulation of the practice of engineering by a State Board of Registration for Professional Engineers.

- H.B. 1398 would have amended the existing law by revising the definition of the term "practice of engineer;" excluded work performed by Federal employees.

- H.B. 1411 would have enacted a new act providing for the regulation and licensing of contractors.

Florida - H.B. 1015 would have established Florida State Contractors Board with authority to examine and certificate general contractors; exempted utilities and electric cooperatives with respect to force account work, and contractors work on utilities.

Maryland - H.B. 603 would have established State Board of Registration of General Contractors and fixed standards of qualification and eligibility; would have included in definition of contracting the installation of electric wiring and the construction of lines for distribution of electric light and power.

North Dakota - S.B. 257 would have regulated the practice of engineering and land surveying, established a state board of registration and prescribed qualifications.

Utah - S.B. 122 would have amended the contractors' licensing law by requiring applicants for licenses to file a bond or cash deposit not exceeding \$2,500 for the benefit of any person damaged by violation of the law or by fraud by the licensee.

Washington - H.B. 120 would have repealed the contractors registration law.

- H.B. 292 would have amended the contractors registration law.

Pending

Nebraska - L.B. 130 amends the laws dealing with registration of professional engineers and architects.

New Hampshire - S.B. 44 amends the professional engineers registration law.

New Jersey - S. 141 repeals the 1962 act establishing a special board to hear and act upon violations of the laws dealing with the illegal practice of engineering and architecture.

New York - A. 2841 amends the laws dealing with professional engineering to authorize partnership or corporate practice.

Oklahoma - S.B. 440 creates a state licensing board for contractors.

Pennsylvania - H.B. 286 and H.B. 287 amend the Business Corporation Law and the Nonprofit Corporation Law, respectively, to provide that such corporations engaged in the practice of engineering shall be subject to the Professional Engineers Registration Law.

### Utility Relocation Reimbursement

#### Enacted

Indiana - H.B. 1424, enacted as Ch. 321, amends the 1961 reimbursement law to include highways constructed by the State Commission as well as the Interstate System.

Minnesota - H.F. 234 (S.F. 174), approved 2/17/65, Ch. 14, authorizes payment by the State Highway Commissioner of utility relocation costs out of the trunk highway fund directly to the highway contractor without requiring the utility to make payment and thereafter seek reimbursement; provides that the utility stipulate that it will reimburse the State for any costs for relocation in which the Federal Government will not participate.

South Dakota - S.B. 101 amends Sec. 23.1004 SDC prohibiting clearance of less than 18 feet from the ground over or across a public highway for electric and telephone wires by providing that the cost of adjusting such lines to conform may be assumed by the governmental body having jurisdiction over the highway where the adjustment results from acquisition of new highway right-of-way in which the utility has an interest.

#### Failed

Colorado - S.B. 263 would have authorized the State Highway Commission to regulate the relocation of utility facilities on, across or under Federal-aid primary or secondary roads as on the Interstate System and to reimburse the owner thereof.

Montana - S.B. 117, would have amended Sec. 32-1625, RCM 1947, to decrease from 75% to 25% the state's share of relocation costs incurred by utilities in connection with highway construction.

## Disposition of Unclaimed Property

The following states considered the Uniform Disposition of Unclaimed Property Act which provides for escheat to the state of unclaimed property including utility deposits and undistributed dividends, stock, other certificate of ownership, etc., held by a business association for share and certificate holders, members, participating patrons of cooperatives, after failure to claim after a specified number of years, or on final distribution after dissolution; and other bills on this subject.

### Enacted

New Mexico - H.B. 500(Ch. 298) transfers administration of the act from the State Treasurers to the Commissioner of Revenue.

Texas - H.B. 117 enacts the Uniform Disposition of Unclaimed Property Act.

### Failed

Colorado - H.B. 1166, uniform act [see S.B. 315 on this subject, reported in "ELECTRIFICATION, Disposition of Unclaimed Property, Failed," above].

Iowa - S.F. 18, uniform act.

Kansas - S.B. 110, uniform act.

Maryland - H.B. 1172, uniform act.

Minnesota - H.F. 1729 and H.F. 1951, uniform act.

Tennessee - S.B. 158 (H.B. 179) would have provided for escheat to the State of unclaimed funds including utility deposits and cash dividends of any corporation.

West Virginia - H.B. 520, uniform act.

### Pending

Michigan - H.B. 2414 amends the Michigan escheat code to extend it to utility refunds.

New Hampshire - H.B. 448 enacts a Comprehensive Unclaimed Property Law substantially in the form of the uniform act.

New York - A. 5058 amends the Abandoned Property Law relative to unclaimed securities, or dividends or other distributions thereon.

Ohio - S.B. 384 enacts Uniform Disposition of Unclaimed Property with modifications.

Oklahoma - S.B. 414 (H.B. 666) and S.B. 423 would enact the uniform disposition of unclaimed property act with modifications.



## Uniform Commercial Code

This code deals generally with commercial transactions involving personal property. Since REA electric and telephone mortgages include such property in addition to real property, unless special provision is made, they must comply with the provisions relating to the form and filing or recordation of security instruments which are found in Article 9 of the Code. In several states, REA borrowers, usually acting jointly with other utilities, have sought to exclude utility mortgages from these provisions and to substitute therefor a single filing of the utility security instruments in the office of the Secretary of State, without refiling as required under the Uniform Commercial Code.

Up to the 1965 legislative sessions, 29 states and the District of Columbia have enacted the Uniform Commercial Code; 5 states have made special provision for utility security instruments, including those issued by REA borrowers.

In the following 1965 sessions, bills to enact the Uniform Commercial Code were introduced:

### Enacted

Iowa - S.F. 227 (H.F. 401) [See S.F. 506, "Enacted," below.]

Kansas - S.B. 4 [Effective 12/31/65; see S.B. 5, "Enacted," below.]

Florida - S.B. 474

Minnesota - H.F. 162 (S.F. 86) [Ch. 811, effective 7/1/66; see H.F. 413, "Enacted," below.]

Nevada - S.B. 15 [Ch. 353, effective 3/1/67; see S.B. 247, "Enacted," below.]

North Carolina - H.B. 218 (S.B. 74), Ch. 700.

North Dakota - S.B. 60 (an amendment to this bill dealing with security instruments covering electric and telephone property was considered but not introduced).

South Carolina - H. 1010, approved by Governor 2/19/65, extends the time for report to the General Assembly on the Uniform Commercial Code.

Texas - S.B. 141 (H.B. 9)

Washington - S.B. 122 (Ch. 157).

### Failed

South Carolina - H. 1399

South Dakota - H.B. 819 would have extended the time for report by the interim commission created to investigate the Uniform Commercial Code to the 1967 session.

Pending

Alabama - H.B. 1 and S.B. 2 [Statewide association is seeking appropriate amendment of Art. 9].

In the following 1965 sessions, bills to amend or to offset the filing provisions of the Uniform Commercial Code for utility security instruments, and to amend the Code in other respects were introduced:

Enacted

Arkansas - H.B. 649, approved 3/19/65, Act 375, and effective 6/9/65, enacts the "Transmitting Utility Act," superseding the provisions of article 9 of the Arkansas Uniform Commercial Code (Act 185 of 1961) to provide for the filing of utility (including electric and telephone) financing statements (security documents) in the office of the Secretary of State, to be effective until terminated without refiling. [Sponsored by Arkansas statewide.]

Indiana - S.B. 117, approved and effective 2/11/65 as Ch. 9, provides that mortgages executed by a public utility as defined in the Public Service Commission Act, may include real, personal and mixed property, and after-acquired property, and may be recorded in the manner for recording real estate mortgages in the counties where the property is located, and need not otherwise be filed or refiled. [Amendment covering all REA security instruments was considered too late for inclusion at this session.]

Iowa - S.F. 506, approved by Governor 5/3/65 and effective 7/5/66, provides that security interests of transmitting utilities, including electric and telephone, shall be filed in office of Secretary of State if filing is required under Uniform Commercial Code and shall be effective until termination without refiling or filing a continuation statement; also provides for recording mortgages or deeds of trust of real estate of a transmitting utility, which may cover after-acquired property, in office of recorder of each county where property is located. [Sponsored by Iowa Statewide.]

Kansas - S.B. 5, effective 1/2/66, provides that mortgages of real property or of real and personal property or security interests in fixtures alone of public utilities, as defined in K.S.A. 66-180, shall be recorded in the county register of deeds offices where the property is located; also provides for filing in office of Secretary of State if the instrument includes personal property; gives effect to provision for after-acquired property; and states no other filing or recording shall be necessary.

Minnesota - H.F. 413, approved 6/30/65, Ch. 813, and effective 6/30/66, provides for the filing of financing statements of electric, telephone and gas utilities using or having the right to use public roads and streets with the Secretary of State notwithstanding the provisions of the Uniform Commercial Code; and provides that the financing statement shall be effective until 5 years after the maturity date in case of personal property, and 15 years after the maturity date in case of fixtures annexed to real property, or if no maturity date is specified, until released or terminated.

Missouri - S.B. 241 (H.B. 467), approved 6/23/65, effective 7/1/65, simultaneously with the effective date of the Code, amends the Code in several respects including revision of the provisions of section 9-302 dealing with public utility financing statements and security interests. [Statewide-sponsored amendment to include electric cooperatives was adopted.]

Montana - S.B. 54, approved by Governor and effective 2/26/65 (Ch. 76, 1965 Session Laws), enacted special provision for filing of security interests and for financing statement of a "Transmitting Utility" (includes electric and telephone companies subject to the jurisdiction of a state or federal regulatory body), notwithstanding the provisions of Article 9 of the Uniform Commercial Code which would otherwise be applicable. [Amendments to cover electric and telephone cooperatives were developed too late for submission.]

Nebraska - L.B. 673, approved and effective 6/30/65, and operative on 9/1/65, provides for recordation of security interests of electric and telephone systems covering real and/or personal property, including fixtures, in the county records and for the filing thereof or of a financing statement with the Secretary of State, to remain effective without refileing; provides for filing of security instruments covering personal property alone with Secretary of State as a central filing under the Uniform Commercial Code. [Amendment sponsored by Statewide association assured coverage of public and cooperative electric and telephone systems.]

Nevada - S.B. 247, effective on same date as S.B. 15 (3/1/67) [see "Enacted," above], amends the public utilities act by providing that mortgages of public utilities as defined in NRS 704.020 which cover real and/or personal property shall be recorded in the county records where property is located, and in the office of the Secretary of State when the mortgage covers personal property including fixtures, without refileing; provides for coverage of lien on after-acquired fixtures; provides for filing of financing statement if security interest is in goods (personal property) in Secretary of State's office.



New Mexico - S.B. 148 (Ch. 112) adds a new section to the public utility law providing for the filing of public utility security instruments covering real or personal property in more than one county in the office of the Secretary of State, and for the re-filing with the Secretary of State of such instruments which were previously recorded in the county clerks' offices, with the same effect as filing in accordance with sections 9-401 through 9-407 of the 1961 Uniform Commercial Code.

Tennessee - S.B. 784 (H.B. 589), enacted as Ch. 361, amends Art. 9, Sec. 403, relative to marking date of, and fee for, filing.

Wyoming - S.B. 155, enacted as Ch. 124, provides for filing of security interests in personal property or fixtures of transmitting utilities with the Secretary of State, without the necessity of real estate description and without re-filing, notwithstanding the provisions of the Uniform Commercial Code.

#### Failed

Arkansas - S.B. 43, would have generally amended the 1961 Code, including article 9.

Colorado - S.B. 104 [Statewide association sponsored appropriate amendment of article 9.]

Indiana - S.B. 430, would have repealed the Uniform Commercial Code enacted in 1963.

Maine - H.P. 816 (L.D. 1107) and H.P. 962 would have amended the Maine Code in various respects.

Nebraska - L.B. 430, as amended would have provided for the filing of financing statements covering personal property and fixtures of a transmitting utility with the Secretary of State, to remain effective without the re-filing required by the Uniform Commercial Code. [Amendment was sponsored by Statewide association; superseded by L.B. 673, see "Enacted," above.]

New Mexico - S.B. 212 would have waived the necessity for acknowledgment of written instruments of any filing or recording permitted or required under the 1961 Uniform Commercial Code.

- S.B. 213 would have amended the 1961 Uniform Commercial Code, including the provisions of article 9.

North Carolina - S.B. 434 would have amended the Uniform Commercial Code as enacted (Ch. 700, Laws of 1965) to conform to the section numbering of the National Uniform Commercial Code.

Tennessee - S.B. 20 would have amended Sec. 9-302 so as to exempt security instruments executed by a railroad or a public utility corporation. [Bill was withdrawn while Statewide association was considering amendment to include security instruments of electric and telephone cooperatives.]

- S.B. 766 (H.B. 931) would have repealed Sec. 9-106.

- S.B. 767 (H.B. 929) would have repealed the Code in its entirety.

Utah - H.B. 221 would have provided for the filing of transmitting utility security interests in personal property or fixtures in the office of the Secretary of State without description of real estate, notwithstanding the 1965 Uniform Commercial Code provisions.

#### Pending

Missouri - H.B. 394 (S.B. 184), repeals the Uniform Commercial Code enacted in 1963 and to become effective 7/1/65.

Oklahoma - H.B. 813, amends Art. 9, Part 4 (increases filing fees).

Wisconsin - S.B. 114 amends Uniform Commercial Code to correct terminology relating to secured transactions.

#### Miscellaneous

##### Enacted

North Carolina - S.B. 369, enacted as Ch. 988, enacts the Rural Development Authority Act.

Oklahoma - H.J.Res. 553, approved 6/29/65, concurs in the establishment of an Ozarks Regional Development Commission and provides for participation therein (in connection with the national Economic Development and Public Works Act of 1965).

Wisconsin - S.B. 28, approved 6/8/65 (Ch. 90), enacts the Industrial Development Law authorizing the establishment of industrial development agencies by cities or counties with broad powers to assist in industrial development.

##### Pending

Michigan - H.B. 2329, H.B. 2856 and S.B. 558 amend the law governing the mediation of labor disputes involving public utilities to provide for compulsory arbitration.

- S.B. 619 amends the law governing labor disputes involving public utilities by eliminating the criminal penalties, defining violations of the act as unfair labor practices and establishing court remedies.





#### IV. TELEPHONE

##### Enabling Laws; Amendments

###### Enacted

Alabama - H.B. 354 repeals Act No. 67 of 1963, authorizing municipal corporations in Cullman County to establish, purchase and operate telephone systems to furnish telephone service to their residents and surrounding territory.

North Carolina - S.B. 96 (H.B. 256), enacted as Ch. 345, amends the telephone membership corporation act by adding provisions for dissolution of corporations created thereunder. [See also "Taxation, Enacted," below.]

##### Commission Regulation

[See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above.]

###### Enacted

Florida - C.S.B. 641 (H.B. 1173) amends the Public Utility Law by adding the radio common carriers act providing for regulation by the Public Utilities Commission of radio common carriers licensed by FCC.

New Mexico - S.B. 230 (reported under TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted," above).

###### Failed

Indiana - S.B. 152 (H.B. 1128), passed Senate 39 to 1, passed House 59 to 19, pocket-vetoed by Governor, would have amended Rural Telephone Cooperative Act to eliminate requirement that the Public Service Commission approve obligations, mortgages, deeds of trust, pledges or encumbrances of cooperative property.

Iowa - H.F. 123 prohibits unreasonable difference in charges between localities and classes of service, or greater charges for shorter than for longer distance calls.

Montana - S.B. 229 (reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nebraska - L.B. 825, withdrawn 4/28/65, would have authorized the State Railway Commission to order a telephone company to extend service to an unserved area.

Oklahoma - H.B. 885 would have directed the Corporation Commission to require telephone companies to maintain a business office in each county served.

Pending

Alabama - S.B. 29 prohibits telephone companies operating within and under the laws and regulations of the State from making connection or disconnection charge when no actual work or installation or removal of facilities is done on the premises; to be enforced by the Public Service Commission.

California - A.B. 255 amends section 766 of the Public Utilities Code, which authorizes the Public Utilities Commission to order interconnection of telephone companies and to establish division of interconnection costs or joint rates, tolls or charges, to authorize the Commission to participate in negotiations as consumer representative and to approve any settlements.

Michigan - S.B. 233 amends law with respect to reports made to the Commission by telephone companies.

New York - S. 811 amends Public Service Law to prohibit charges for telephone extensions beyond those required to reimburse the telephone company for maintenance and depreciation of the extension.

- S. 812 amends Public Service Law to authorize the installation of privately-owned telephones within a person's residence or place of business except where the facilities of the telephone company are adversely affected.

- S. 1552 amends Public Service Law to authorize a telephone subscriber to install specified telephone equipment in substitution for or in conjunction with facilities furnished by the telephone company.

- S. 1553 amends the Public Service Law to prohibit telephone companies to charge for extensions or other equipment exceeding a reasonable installation charge plus the cost of the equipment and its maintenance.

- A. 5135 amends Public Service Law to require telephone companies to place a meter on subscriber's premises recording the destination of and time consumed by each call, and to furnish meter readings, both without additional charge to the subscriber.

Taxation

Enacted

Illinois - H.B. 1179 (S.B. 782), approved 7/16/65, amends the Message Tax Act to increase from 3 to 4% the tax on intrastate gross receipts from the business of transmitting messages.

Maine - H.P. 1152 (L.D. 1584), enacted as Ch. 362, subjects telephone and telegraph service to the 4% state sales tax.

North Carolina - S.B. 96 (H.B. 256), enacted as Ch. 345, amends the telephone membership corporation act to retain the status of corporations formed thereunder as public agencies of the state, and to provide that their property shall be subject to same taxes and assessments as property owned by a county or municipality. [See also "Enabling Laws; Amendments, Enacted," above.]

North Dakota - H.B. 533, approved 2/25/65 and effective on 1/1/66, amends the law imposing a gross receipts tax on rural telephone systems, cooperative or commercial, serving rural areas and cities and villages having population of 500 or less by eliminating from gross receipts switching charges and tolls paid to other companies; and by changing the basis for the tax from telephone instruments to stations, and by adjusting the rates to 1/2 of 1% of the gross receipts on companies maintaining an average of 1 1/4 telephone stations or less per mile of telephone line, to 1% where density is between 1 1/4 and 1 3/4 stations per mile, to 1 1/2% where density is between 1 3/4 and 2 1/4 stations per mile, to 2% where density is over 2 1/4 stations per mile, but not less than 50¢ per station.

South Dakota - S.B. 27 amends the laws relating to the taxation of telephone companies, establishing two alternative schedules for gross receipts tax on companies, including cooperatives, whose annual gross receipts are less than \$1 million, based on density per mile of line and volume of annual gross revenues, and revising administrative procedures.

#### Failed

Maine - H.P. 762 would have imposed excise tax on vehicles leased as well as those owned by telephone and telegraph companies.

Montana - S.B. 229 (reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed," above).

#### Pending

California - S.B. 1222 enacts Communications Sales and Use Tax Law, imposing gross receipts tax of unspecified percentage on gross receipts from retail sales of telephone or telgraph service on and after 9/1/65, to be collected from the consumer.



- S.Const.Amend. 17 imposes an annual tax of 1% of local and toll service revenues from intrastate service in lieu of all other charges, tolls, fees or taxes imposed by any municipal or other political subdivision of the state for or upon the construction, maintenance, operation or use of facilities, or on income, receipts or revenues, other than taxes imposed uniformly upon public utility companies, and advalorem taxes on rights-of-way.

New Jersey - A. 506 provides for assessment of telephone or telegraph company property by the Director of the Division of Taxation of the State Department of Taxation and Finance commencing in 1966.

Pennsylvania - H.B. 850 exempts from the sales and use tax intrastate telephone and telegraph service.

Vermont - H. 69 increases the telephone gross receipts tax from 4 1/4 to 6% (32 VSA Sec. 8521) and the step rates of the alternative gross receipts tax (32 VSA Sec. 8522).

#### Federal Excise Tax

##### Enacted

Arkansas - H.C.R. 66 urges Congress to exempt telephone charges for domestic or household use.

##### Pending

Alaska - H.J.Res. 42 calls for elimination of excise tax on telephone calls to and from Alaska.

Michigan - S.C.Res. 59, memorializes the Congress to remove the Federal excise tax on telephone service.

Wisconsin - A.J.Res. 81 urges Congress to exempt from the Federal excise tax telephone charges for domestic use.

#### Rates and Service

##### Enacted

Alaska - S.J.Res. 10 urges Department of Air Force to complete negotiations with AT&T to reduce Alaska interstate telephone rates over the Alaska Communications System.

##### Failed

Idaho - H.B. 97 would have made telephone companies liable for damages for want of care in the transmittal of messages or in the publication of a directory.

Pending

California - A.B. 1285 adds Sec. 463 to the Public Utility Code to require substantially equal service for substantially equal charges to all ratepayers in the same community or marketing area without regard to service area bounding lines.

- A. 1146 adds Sec. 7097 to the Public Utility Code requiring telephone companies which issue telephone directories to place an asterisk beside the name of persons desiring not to be disturbed by telephone subscriptions or solicitations.

Ohio - H.Res. 29 requests study of telephone service rendered, tolls charged, and possibility of extended area service to all areas of Ohio.

Oklahoma - H.B. 1054 requires telephone companies to employ not less than two operators between 10 P.M. and 6 A.M.

Misuse of Telephone Service

Enacted

Arizona - H.B. 234, enacted as Ch. 65 without Governor's signature, effective 4/12/65, makes it a misdemeanor to obtain telecommunication (telephone, telegraph, radio, etc.) service by fraud or to make and distribute devices for this purpose.

Arkansas - S.B. 72 (H.B. 202), approved as Act No. 58, and effective 2/12/65, makes it misdemeanor to obtain telecommunications service by fraud.

Colorado - H.B. 1192 makes it a misdemeanor to avoid payment for or conceal the existence, place of origin or destination of, telecommunication service or to offer or sell devices for such purpose.

Florida - S.B. 452 makes it unlawful to avoid payment for telephone service by fraud or to make, possess, sell or offer any device for such purpose.

Maryland - S.B. 460, approved by Governor 4/8/65, Ch. 199, and effective 6/1/65, makes it a misdemeanor to make, sell or offer any device to obtain telephone or telegraph services by fraud, or to conceal the existence, place of origin or destination of any telephone or telegraph message.

Nevada - A.B. 126, enacted as Ch. 182, makes it unlawful to obtain telephone service by fraud.

North Carolina - S.B. 391 and S.B. 392, enacted as Ch. 836 and 837 respectively, prohibit the use of profane, threatening or indecent language over a telephone.

Ohio - S.B. 109, approved 4/20/65 and effective 7/20/65, amends laws dealing with obtaining telephone service by fraud by prohibiting use of revoked credit card or terminated telephone number, or by utilizing tampered-with equipment.

- S.B. 110, approved 4/20/65 and effective 7/20/65, enacts a new section imposing a fine for making, possessing or transferring a device designed for theft of telephone service.

South Dakota - H.B. 775 makes it unlawful to make, sell or possess device to be used for obtaining telecommunications services fraudulently.

South Carolina - S. 136, approved 5/13/65, makes it unlawful willfully or maliciously to damage or break into telephone equipment.

- H. 1467, approved 6/8/65, makes it unlawful to avoid lawful telecommunications charges.

- H. 1483, approved 6/8/65, makes it unlawful to make or possess device to conceal from supplier of telecommunications service the existence, origin or destination of any telecommunication.

Tennessee - S.B. 334 (H.B. 424), enacted as Ch. 124, makes it unlawful for the purpose of avoiding payment to conceal the existence, origin or destination of any telecommunication.

- S.B. 335 (H.B. 425), enacted as Ch. 84, makes it unlawful to make, possess or transfer a device for the theft of telecommunication service.

Wisconsin - A.B. 99, approved 5/18/65 (Ch. 56), amends the law requiring the yielding of party line for an emergency.

#### Failed

Florida - H.B. 96 would have made it a misdemeanor to use eavesdropping or recording equipment to overhear or record oral conversations of another without his knowledge or consent.

Maryland - H.B. 1197 and S.B. 1539 would have amended the law concerning fraud in the use of long distance telephone service to include tampering with facilities, prearranged schemes, false impersonation or fraudulent schemes; and would have increased the penalties.



Nevada - S.B. 211 would have amended the laws prohibiting the use of listening devices to overhear, listen to, monitor or record any conversation engaged in by others.

West Virginia - H.B. 539 would have made it unlawful to make, sell, possess, or transfer device for fraudulently obtaining telephone or telegraph service.

Wyoming - H.B. 246 would have made it unlawful to make, possess or transfer devices to obtain telecommunications service by fraud.

#### Pending

Alabama - H.B. 728 makes it a crime to defraud or interfere with telecommunications service.

Alaska - H.B. 134, carried over to 1966 session, makes it a misdemeanor to use indecent language on a telephone, or to molest others by anonymous calls.

California - A.B. 3302, amends the Penal Code to authorize interception and use of telegraphers and telephonic communications on court authorization; to become effective after enactment of Federal legislation.

- S.B. 1118 amends Penal Code relative to fraudulent use of telephone or telegraph service.

Delaware - H.B. 297 makes it a misdemeanor to make or possess, or sell or offer devices for the unlawful taking of telecommunications service, or the concealment of the existence, place of origin or destination of any telecommunication.

Illinois - H.B. 270, H.B. 451 authorize interception of telephone messages on court order.

- H.B. 272 H.B. 454, H.B. 273 and H.B. 453 amend laws prohibiting interference with telephone facilities and service or taking wire news dispatches, except actions taken pursuant to court order.

Michigan - H.B. 2577 prohibits the use of telephones for soliciting business, requesting contributions, conducting polls, etc.

Missouri - H.B. 321 makes unlawful solicitation of sales or promotion of services by telephone unless requested by person called.

New York - A. 2787 makes a telephone eavesdropper civilly liable for treble the amount of damages resulting therefrom in addition to criminal penalties.

- A. 2788 amends the penal law to impose penalties for use of telephone for gambling and requires the removal of telephone service in such cases.

Oklahoma - S.B. 291 makes it unlawful to obtain telecommunications service by fraud.

Pennsylvania - S.B. 949 makes unlawful making, possessing or transferring devices for the theft of telecommunications service.

- H.B. 1018 increases the penalty for malicious use of telephone for indecent purposes.

South Carolina - H. 1467 makes it unlawful to avoid lawful telecommunications charges.

Wisconsin - S.B. 185 makes it unlawful to obtain telecommunication service by fraudulent means.

#### Miscellaneous

##### Enacted

New Mexico - H.B. 445, enacted as Ch. 225, amends the 1963 act dealing with telephone services and facilities for the State Capitol to extend it to state offices throughout the state.

Texas - S.B. 512 (H.B. 1086) amends S.B. 74, the 1965 Texas Engineering Practice Act (see "ELECTRIFICATION AND TELEPHONE, Contractors and Professional Registration, Enacted," above) to exempt telephone engineering.

##### Pending

Michigan - H.B. 2684 requires the State Highway Department to construct telephone communication lines with telephone booths no further than two miles apart on limited-access highways providing service for stranded motorists to the nearest police station.

Oklahoma - S.J.Res. 30 authorizes the State Board of Public Affairs to negotiate with Southwestern Bell Telephone Company for a Centrex System to serve all state offices in Oklahoma City and vicinity.

Wisconsin - S.J.Res. 86 recommends a study of the feasibility of legislation instituting an emergency telephone system such as the California one number dialing system ("call diverter").

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
Washington, D. C.

1965 STATE LEGISLATION AFFECTING REA PROGRAMS  
FINAL REPORT - DECEMBER 1, 1965

Coverage. Of the 47 state legislatures which convened in regular session in 1965, all but 5 have adjourned. The five still in session are Delaware, Michigan, New Jersey, Pennsylvania and Wisconsin. For these states, and states where bills not disposed of in the 1965 session are carried over to the 1966 session, this report will list some bills as still pending. In all other states, final disposition is shown.

Bills which were introduced or came to our attention after the July 15, 1965, Summary Report was prepared have been added to this report and are identified by the word "NEW" in the margin opposite the bill report.

This report is by no means exhaustive of all legislation affecting the programs. Several legislative subjects are not covered which have general impact, as contrasted with special impact, upon the programs. Examples are workmen's compensation, unemployment insurance, county and metropolitan zoning, organization and powers of local political units, municipal annexation, general real and personal property taxation, regulation of explosives, motor vehicle regulation, chattel mortgages and conditional sales (other than utility property), eminent domain procedures, underground water control, insurance, etc. The bills on these subjects are too numerous and varied for reporting on a national basis. They are of general public concern and of substantial collateral importance to rural electric and telephone systems. They should be closely followed by the systems and their state associations to determine their effect upon them if enacted.

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## I. TERRITORIAL PROTECTION AND COMMISSION REGULATION

### Enacted

Arkansas (adjourned 3/11) - S.C.Res. 9, passed unanimously by House and Senate, approved by Governor 2/15/65, commends investor and consumer owned utilities in Arkansas, and urges them to work together, "neither interfering with the other in the development of the power potential of the state"; refers to territorial legislation previously enacted.

Illinois - H.B. 2105 (S.B. 1279), approved by Governor 7/2/65, enacts "Electric Suppliers Act" authorizing electric public utilities and cooperatives, to avoid duplication of facilities and minimizes disputes, to contract as to their respective service areas subject to Illinois Commerce Commission approval; provides for filing maps of existing lines (except where there are no existing conflicting lines) with the Commission and for hearings if there is objection; confirms right of suppliers to continue existing service, fulfill existing service contracts, and resume service to premises discontinued within preceding 12 months, and prohibits other suppliers from supplying such service except that generation and transmission cooperatives may furnish service to member distribution cooperatives which are not incorporated municipalities; provides for Commission determination of service areas by approved contract regardless of outstanding certificates of convenience and necessity except in incorporated municipalities and annexed areas; gives Commission authority to release customers who are inadequately served and to terminate discrimination, and to order a nonregulated supplier (cooperative) to serve an applicant who is denied service; gives cooperative right of eminent domain on a Commission finding of necessity; authorizes continued existing service in annexed areas but prohibits extension in annexed areas unless authorized by the municipality, and by the Commission where another supplier is authorized to serve; and provides penalties for violation of the act.

- H.B. 2106 (S.B. 1280), approved by Governor 7/2/65, amends the Public Utilities Act by specifically excluding electric cooperatives therefrom, giving any authorization to a public utility by the Commission the same effect as a certificate of convenience and necessity, and denying electric cooperatives standing in any proceeding before the Commission for power plant construction and as to matters for which a remedy is available under the Electric Suppliers Act (see above).

[The foregoing bills represent a compromise package negotiated by the electric cooperatives and utilities at the Governor's instigation, replacing H.B. 1121 and S.B. 810, see "Failed" below.]

Maine - S.P. 538, approved 5/28/65, Ch. 348, effective 9/2/65, amends Public Utility Law to prohibit service by electric suppliers, including cooperatives, to premises already being served or to unserved premises within 1,000 feet of the distribution line of another supplier; subjects electric cooperatives to Public Utilities Commission jurisdiction except as to rates and obligations; amends Cooperative Enabling Act to eliminate prohibition against powers of eminent domain. [S.P. 538 was substituted for S.P. 320, with the acquiescence of the Maine cooperatives. S.P. 320 provided the same territorial protection as S.P. 538, but did not subject the cooperatives to PUC regulation and would also have amended the Cooperative Enabling Act to eliminate some restrictions on cooperative Service.]



New Mexico - S.B. 230, enacted in substitute bill form as Ch. 292, provides for the certification by the State Corporation Commission of telephone service areas with a "grandfather clause"; it was amended prior to final passage, at the telephone cooperatives' request, to include them; contains specific anti-duplication provisions.

NEW

Ch. 300, Laws 1965, adds a new section, Sec. 14-7-2, to Art. 7 of the Municipal Code, dealing with annexation of territory, which authorizes a municipal utility or a municipally-franchised utility to extend service to municipally-annexed territory; directs the Public Service Commission to determine which utility shall serve the annexed territory where that territory and the municipality are served by different regulated utilities; and directs the municipality to grant a franchise to serve the annexed territory to the utility designated by the Commission.

North Carolina - H.B. 255 (S.B. 95), enacted as Ch. 287, approved and effective 4/20/65, recognizes right of electric suppliers to continue service within municipal limits and in annexed areas subject to limitations where the municipality is served by another supplier; makes electric cooperatives eligible to receive municipal franchises; subjects electric cooperatives to State, county and local taxes (except income tax, and except for Ocracoke EMC and Cape Hatteras EMC whose public status and tax exemption are preserved in two separate bills, S.B. 97 and S.B. 98, enacted as Ch. 346 and 347, see "ELECTRIFICATION, Enabling Laws; Amendments, Enacted," below); public status of telephone cooperatives and their tax exemption are preserved in S.B. 96 (H.B. 256) (enacted as Ch. 345, see "TELEPHONE, Enabling Laws; Amendments, Enacted," below); in rural areas; prohibits electric suppliers from serving premises already served by another supplier and unserved premises within 300 feet of the lines of another supplier; provides for assignment of territory in rural areas beyond the 300-foot zones by the Utilities Commission; gives U.C. authority to order service even where territory is assigned to another supplier; defines electric cooperatives as "public utility;" prohibits discriminatory rates and services by cooperatives; requires cooperatives to file their rate schedules and service regulations with the Utilities Commission; and requires that U.C. certificates be obtained before constructing a generating facility. [All bills listed represent compromise worked out by state electric cooperative association and power companies with encouragement and assistance from the Governor; the municipals opposed the bills.]

North Dakota - H.B. 724, approved by the Governor 3/20/65, effective 7/1/65, Ch. 319, amends the certificate provision of the public utility law (Sec. 49-03-01 N.D. Cent. Code) by restricting the right of a public utility to construct facilities without a certificate to extensions within any municipality within which it has lawfully commenced operations, and eliminating the authority to extend service in territory already served and in territory contiguous thereto; adds requirements that a public utility obtain a certificate before construction and prohibits extension by a public utility of transmission or distribution



lines beyond municipal limits except on certification by Public Service Commission; forbids PSC to issue a certificate for service beyond municipal limits unless the electric cooperative with lines or facilities nearest the place to be served consents in writing or unless PSC, after notice and hearing, determines the service cannot be provided by the cooperative; requires public utilities serving outside municipal limits to file, within 90 days after effective date of act, maps of their electric distribution systems showing all places outside of municipal limits receiving service on effective date of act; entrusts enforcement to PSC; and recognizes right of injured parties to sue a public utility or cooperative. ["Public utility" as used in this Act does not include a cooperative. Bill was sponsored by the electric cooperatives. See also H.B. 726, H.B. 727, and S.B. 309 reported under "Failed."]

Oregon - S.B. 277, enacted as Ch. 342, amends the 1961 Territorial Integrity Act by prohibiting the offer or construction of utility service other than by the applicant during the pendency of an application for allocation of territory. [Sponsored by the Public Utility Commissioner.]

South Dakota - S.B. 250, approved by Governor 3/13/65, effective 7/1/65, amends Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas to the municipal or other utility serving the majority of customers in the city or town, and by amending the definition of "rural area" to retain the character of "rural area" for annexed areas in which a cooperative is the primary supplier, i.e., serves the majority of customers. Gives a secondary electric supplier the sole right to continue service to premises within a municipality being served on March 17, 1965, and the right to serve new structures in a municipality located within 300 feet of its energized lines as of that date; provides for customers' choice where the unserved premises are within 300 feet of the energized lines of both the secondary and primary supplier; and recognizes municipally-owned utilities as primary suppliers. In areas within three miles of municipal boundaries, all suppliers are given sole right to continue their service to structures being served on March 17, 1965, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. In areas annexed after March 17, 1965, all suppliers are given sole right to continue their service to structures being served at time of annexation, and an equal right to serve new structures, subject to consumers' choice, and mediation in the event of dispute. No provision is made with respect to service in rural areas beyond the three-mile zone; presumably left to consumers' choice. Establishes the South Dakota Electric Mediation Board with quasi-judicial powers for the sole purpose of determining territorial disputes, prescribes its membership, method of selection, compensation, and procedure, and provides for court issuance of restraining orders pending Mediation Board action. Gives secondary suppliers right to use public lands and thoroughfares within a municipality and surrounding three-mile zone. Requires a secondary supplier in a municipality which is a cooperative

to pay to the municipalities, in addition to other taxes provided by law, 2% of its gross receipts from power sales within the municipality, plus an additional agreed amount where the primary supplier is municipally owned, fixed at 4% of gross receipts where the parties cannot agree. [S.B. 250 is a compromise worked out by cooperatives, power companies and municipals with encouragement and assistance from the Governor; see also H.B. 857 reported under "Failed." ]

Tennessee - S.B. 564 (H.B. 691), enacted as Ch. 304, requires municipal utilities, with certain exceptions, which extend service into an area certificated to another utility to agree to take over the latter's property, rights and functions, for compensation to be fixed by court if the parties fail to agree. [Note: as electric cooperatives in Tennessee are not certificated, this act is not applicable to them.]

Utah - S.B. 30, approved by the Governor 3/11/65, and effective 5/10/65, amends the Utah public utility law to include electric cooperatives in the definition of public utilities regulated thereunder, and subjects them to the complete jurisdiction of the Utah Public Utilities Commission; amends certificate provision to include a "grandfather clause" covering customers served at the time of filing application for certificate, subject to determination by the PUC that applicant has sufficient finances, equipment and plant to continue its existing service. Electric utilities, except those applying for certificate to serve existing customers only, are required to have established or to establish in a reasonable time a ratio of debt capital to equity which the PUC shall find renders them "financially stable and which financing shall be found to be in the public interest." Saves all existing rights of municipalities. [S.B. 30, as originally sponsored by the electric cooperatives, included specific anti-duplication provisions prohibiting service to consumers already served or to new consumers within 1000 feet of existing lands of another supplier, and a "grandfather certificate" clause covering territory rather than consumers. These provisions were eliminated by amendment, and the "grandfather clause" covering consumers and the debt-equity ratio language added.]

#### Failed

California - S.B. 1170 would have amended section 1170 of the Public Utilities Code to require every electrical and telephone corporation and other utility corporations which propose construction or extension of facilities first to obtain certificate of convenience and necessity; eliminated provision permitting extensions within city or county within which operations were lawfully commenced, and in contiguous territory; and required obtaining certificate before acquiring land or interest therein required for construction and extensions.



Illinois - S.B. 810, tabled in Senate 6/16/65, would have amended the public utility law by adding a definition of rural electric cooperatives which is interpreted as subjecting them to the jurisdiction of the Illinois Commerce Commission; specifically exempted electric cooperatives from Commission regulation over the issuance of stocks, bonds, notes and other evidences of indebtedness, and over the assignment, transfer, lease, mortgage or other encumbrance of cooperative franchises, licenses, permits, plant, equipment, business or other property in connection with REA loans, and over the payment of dividends. [Sponsorship of the bill is attributed to the investor-owned utilities; see Illinois bills under "Enacted," above.]

- H.B. 1121, tabled in the Senate 6/16/65, would have enacted a modification of the model Territorial Integrity Act, prohibiting electric service to premises which have in the preceding year been receiving service from another supplier, or which are within 1,000 feet of another supplier's distribution line, except for service to supplier's own premises or for resale or service by a municipal utility within its boundaries; and providing for continuance and extension of service in annexed areas; provides for court enforcement. [Sponsored by Illinois electric cooperatives; see Illinois bills under "Enacted," above.]

Montana - S.B. 203, failed in Senate by a vote of 29-28, would have prohibited duplication of existing service by any electric supplier and service to unserved premises located within 2,500 feet and closer to the distribution lines of another supplier; also provided for continuance and extension of service in areas included within the boundaries of municipalities; enforcement to be district court injunction. [Sponsored by Montana Associated Utilities (cooperative state association) the bill was opposed by power company and the state IBEW; after amendment to increase the tax classification of electric cooperative property from 7% to 20% for plant and 40% for poles and lines (same classification as power companies), it was indefinitely postponed; bill substantially the same as model Territorial Integrity Act.]

- S.B. 202, passed Senate 2/14/65 with amendment (37 to 18) and House 2/24/65, vetoed by Governor, would have amended electric provision of the Electric and Telephone Cooperative Act to delete from the purpose clause [§14-502(a)] language limiting the cooperative purpose to areas where service is "not otherwise available;" to specifically empower improvement and expansion of existing facilities; and to redefine "rural area" so as to authorize full utilization of existing facilities in annexed areas; amended in Senate to limit service in annexed areas to areas served at time of annexation, and to persons therein requesting cooperative service. [Sponsored by statewide to offset effect of adverse Montana Supreme Court decisions.]

- S.B. 229, killed in Senate by unanimous adverse Committee report, would have provided for settlement of territorial disputes with respect to electric service within municipal limits by the Public Service Commission, in rural areas by a rural electric arbitration board to be established on a permanent basis; would have redefined "rural area" to confine cooperative service in annexed areas to customers served at the time of annexation; subjected electric and telephone cooperatives to Public Service Commission jurisdiction within the corporate boundaries of municipalities; and increased the tax classification of electric and telephone cooperatives located within municipalities. [Opposed by statewide.]



Nebraska - L.B. 289, would have amended the 1963 Power Review Board law to expand coverage to eliminate competition and duplication between wholesale as well as retail suppliers; to authorize the Board to adopt rules and employ staff; to specifically limit applications to the Board to establish service areas to retail suppliers; to limit the service area of a municipality beyond its zoning area to contiguous area completely served by the municipality; to limit the Board's authority with respect to modifying service areas to applications by retail suppliers; to expand Board's jurisdiction to include wholesale as well as retail duplication of service, and the construction of generation facilities or transmission lines (over 700 volts) by wholesale as well as retail suppliers; and to provide for injunctions against such duplication and construction; to give retail customers access to Board for relief from discrimination or permission to take more reasonable service from another supplier; and to provide for apportionment of Board's assessments on basis of electrical revenues rather than gross income. [Substantially carries out recommendation of Legislative Council Committee on Public Power. Several bills realigning public power districts and their management, and dealing with the controversial subject of power supply are listed under "Enabling Laws; Amendments," below.]

New Mexico - H.B. 327 would have authorized municipal utility to continue furnishing utility service more than five miles from its boundary and prohibited any other utility from extending service into the area.

- H.B. 344 would have provided for PSC regulation of rates and service by a municipal utility furnishing electricity beyond a distance of five miles from its limits, and provided for the payment of taxes on such service.

North Dakota - H.B. 726, passed House on 2/17/65 (71-32) and Senate on 3/5/65 (34-15), but died in conference, would have amended the Electric Cooperative Act by eliminating the unserved person restriction on electric cooperative service. [Sponsored by the electric cooperatives.]

- H.B. 727, passed House 2/17/65 (69-36), failed in Senate, would have required PSC approval for public utility service at rates other than those published, authorized the PSC to require a public utility to make reparation for discriminatory rates to persons injured directly or indirectly, and authorized court action for treble damages by injured person upon showing of willful violation. [Sponsored by electric cooperatives to offset unfair competition in the form of discriminatory rates.]

- S.B. 309, indefinitely postponed 2/13/65, would have authorized the utility serving a majority of the customers in a city or town to acquire the electrical facilities of any other utility, including a cooperative, in areas annexed to the city or town upon payment of their fair and reasonable value plus severance damages equal to gross receipts for the prior three years received from the sale of electricity in the annexed areas. [Opposed by the electric cooperatives; see H.B. 724, reported under "Enacted."]

South Dakota - H.B. 857, would have amended the definition of "rural area" in the Electric Cooperative Act by eliminating the 1963 amendment which required cooperatives to sell their facilities in annexed areas, and substituting language permitting cooperatives to continue service to service outlets being served at the time of annexation, and conditioning service to new service outlets in annexed areas upon approval by an arbitration board selected by the parties. [See S.B. 250, reported under "Enacted."]

Tennessee - H.B. 45, would have provided that a utility district which has an unserved area with more than 100 owners of real property residing therein may have such area removed from its territorial limits upon petition of 25 or more property owners; and provided that unserved area may be placed in a separate new district.

Texas - H.B. 75 would have authorized county commissioners courts to adopt ordinances regulating telephone rates in counties outside of incorporated cities and towns, and protecting telephone companies "in the free enjoyment of their rights and franchises, to protect from interference their property or privileges, and to prevent the free or unauthorized use or waste of the telephone service furnished;" also gives district courts jurisdiction over telephone rates if invoked by the commissioners court and provides that "rates fixed may never exceed eight percent per year."

- S.B. 451 would have established a Texas Public Utilities Commission with jurisdiction over electric, telephone, water and gas utilities, primarily over rates; declares duplication of facilities and capital investment not in the public interest; authorizes the Commission to require a "definition of territory" to be filed by utilities, including cooperatives; and prohibits extension into territory not previously served except upon certification of public convenience and necessity by the Commission after notice and hearing.

#### Pending

Alaska - H.B. 138, as amended in the House which passed (26-14) a committee substitute bill, amends Public Service Commission Act, by adding a "grandfather clause" to the certificate of convenience and necessity section, and a provision permitting the Commission to condition a certificate upon the applicant serving an area not included in the original application; revising rate regulation provision to permit municipal utilities to bill a separate surcharge for service within the municipal limits; eliminating present exemption for utilities with gross annual revenues under \$100,000; and including municipal utilities within the definition of "public utility" but exempting them if no other regulated utility provides a like utility service to consumers situated "within an integrated economic area." [This is an Administration bill supported by the electric cooperatives; in the Senate, it was returned to the House which referred it to the Legislative Council for further study and public hearing; carried over to 1966 session.]



- S.B. 43, amends Public Service Commission Act to delete the exemption of municipally owned and operated utilities, and to include them specifically in the definition of "public utility;" carried over to 1966 session.

- S.B. 180, carried over to 1966 session, generally amends the Public Service Commission Act, substantially same as C.S.H.B. 138, but adds provision for regulation of public utilities by the first responsible unit of local government (city or borough) whose geographical boundaries encompass all the competing utility systems. Where the system overlaps local government boundaries or where the local government relinquishes its jurisdiction, the State commission assumes regulatory function. [An amendment to C.S.H.B. 138 providing for similar local jurisdiction failed in the House.]

- S.B. 191, carried over to 1966 session, provides for local government regulation of public utilities, and establishes a Public Utility Advisory Board composed of experts on utility regulation to conduct hearings for local governments and assist them in development of regulations and rate structures, and to conduct investigations and hearings for and advise the State commission on rates and other matters.

Delaware - H.B. 179, authorizes electric suppliers (commercial, cooperative and public) to continue service in areas annexed to municipalities, and to extend within 300 feet of existing facilities; enforcement to be by court action. [Sponsored by electric cooperative; similar to municipal annexation provisions of model Territorial Integrity Act.]

NEW

- H.B. 359, introduced 11/23/65, provides for the continuation of electric service in areas included in municipalities by incorporation, annexation or otherwise. [Note: copy of H.B. 359 not available as of 12/1/65.]

Wisconsin - A.B. 293, passed Assembly, 3rd reading in Senate on 7/15/65, adds Sec. 66.069 (2)(d) to statutes relating to municipal service outside of city or village limits, limiting such service to the places fixed by agreement unless otherwise specifically provided by agreement or ordinance.

NEW

- A.B. 994, introduced 10/8/65, amends Sec. 66.069 (2)(c) to authorize villages or cities to fix the natural and geographical limits of municipal utility service in unincorporated areas, and to limit the obligation to serve to the delineated areas; also adds Sec. 66.069 (2)(d) providing that municipal utility service outside corporate limits to property used for public, educational, industrial or eleemosynary purposes pursuant to agreement shall be limited to such areas unless changed by agreement. [Compare A.B. 293, above; neither of these bills affects the 1961 territorial protection statute.]



## II. ELECTRIFICATION

### Enabling Laws; Amendments

#### Enacted

Alaska - H.B. 47, approved and effective 4/22/65, Ch. 83, authorizes municipal corporations or political subdivisions to refund general obligations and revenue bonds, without election in the case of revenue bonds.

Arizona - H.B. 236, approved 4/10/65, Ch. 59, and effective 7/19/65, adds to the electrical district law (Title 30, Ch. 3, Art. 1, Ariz. Rev. Stats.) provisions for the exclusion from electrical districts of lands which cannot be beneficially served by the districts, upon petition of the owners of the land.

Arkansas - S.B. 5 (H.B. 3), approved and effective 2/11/65, as Act 11, amends Sec. 73-427, Ark. Stats., to provide for domestication of out-of-state light and power corporations.

California - A.B. 1554, approved 7/16/65, Ch. 916, authorizes municipal utility districts to issue revenue bonds to finance the reconstruction, replacement, acquisition or improvement of facilities for the generation, transmission or distribution of electricity rather than only for hydroelectric generation and associated transmission facilities.

Maine - S.P. 538 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted").

Nebraska - L.B. 764, approved and effective 8/3/66, establishes a power district, designated the grid system, to take over management of districts operating separately or jointly electric facilities and transmission lines in more than 40 counties; provides for broad representation of service areas on board of directors; requires grid system to wheel power over any surplus line capacity; authorizes grid system wholesale customers to purchase power elsewhere if grid system has enough unit power and energy or transmission capacity; directs divestiture of retail facilities; prescribes methods of operation and control. [Supported by Nebraska Statewide.]

- L.B. 339 raises the ceiling on power district directors monthly compensation from \$100 limit to \$200 for direction of districts created by merger or consolidation of two or more districts (amends Sec. 70-624.02).

- L.B. 709 revises power district law (Sec. 70-601) so as to broaden the definitions of "municipality" for the purpose of election of directors to include not only each incorporated city or village which the district serves at retail but also those which it serves at wholesale for resale.

- L.B. 720 amends Sec. 70-624.02 to prohibit power district directors from receiving any compensation in addition to the statutory limit during his term or one year thereafter.

Nevada - A.B. 171, enacted as Ch. 278, 1965 Public Securities Validation Act, validates all public securities heretofore issued, including those issued by power districts.

North Carolina - S.B. 97 (H.B. 258) and S.B. 98 (H.B. 257), enacted as Ch. 346 and 347, approved and effective 4/20/65, respectively, declare Ocracoke Electric Membership Corporation and Cape Hatteras Electric Membership Corporation to be public agencies for the performance of their chartered services and provides their property shall be held in the same manner and subject to the same taxes and assessments as property owned by any county or municipality.

Washington - H.B. 383, enacted as Ch. 142, authorizes the issuance of revenue bonds by counties for any county purpose from which revenues can be derived.

- S.B. 232, enacted as Ch. 118, amends the laws authorizing cities or towns to pledge revenues for payment of bonds issued to acquire, construct or improve a public utility.

#### Failed

#### NEW

Alabama - H.B. 90 (3rd Extra Sess.) would have amended Electric Cooperative Act provision regarding lack of quorum at membership meeting (1940 Code, Title 18, §38) to require adjournment of meeting in place of present provision permitting postponement without notice.

Florida - H.B. 965, killed in committee, would have amended the Florida Rural Electric Cooperative Act provisions dealing with meetings of members (Sec. 425.09(7) Fla. Stats.) by prohibiting proxy voting, amplifying the provisions for mail voting, and prescribing voting hours. [Opposed by the Statewide as costly and interfering with prerogatives of membership.]

Maryland - S.B. 674 would have amended Electric Cooperative Act to require that unclaimed patronage refunds shall be paid to the county commissions in Calvert, Charles, Prince Georges and St. Mary's Counties in which the patron is a resident; the funds to be used for the general economic development of the county. [Opposed by the cooperative; the bill was essentially a revenue-raising measure, the introduction of which was triggered by publication of a list of unclaimed capital credits.]

Montana - S.B. 202, vetoed (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nebraska - L.B. 679 would have revised law conditioning further operation by any district operating in more than 50 counties upon amendment to provide for election of directors to assure broader representation of service areas, by extending its provisions to districts which serve more than 50 counties either alone or in association with another district or districts. [Note: Would have extended law to NPPS system.]



- L.B. 762 would have required merger or consolidation of districts engaged primarily in generation and transmission and having joint ownership and control of electric facilities; includes wheeling provisions of L.B. 760 (reported below under "Power Supply and Electric Lines, Failed"); prohibited further retail sales of merged districts and required complete termination thereof by January 1, 1972; made provisions for board of directors of merged district.

- L.Res. 71, that the Legislative Council appoint a committee to determine whether the State may serve as fiscal agent for the refinancing which may be required under L.B. 764 (see "Enacted", above).

- L.B. 809 would have created the Southeastern Nebraska Public Power District as the sole supplier of retail electric service in Lancaster, Gage, Jefferson, Saline, and Thayer counties, except for customers served by municipal systems; directed merger of all existing retail suppliers except municipals by 1/1/67 and made their retail service unlawful after 1/1/68.

- L.B. 869 would have required power districts engaged in joint venture or partnership, to conduct such business in joint meeting of the directors.

- L.B. 665, indefinitely postponed, would have established six service areas within the state to take over, own, and operate and control all properties and facilities of all existing power districts and to be solely responsible for furnishing electric utility services within each service area.

North Dakota - H.B. 726 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Oregon - S.B. 344 would have amended provisions of the peoples utility district law relating to the issuance and sale of revenue bonds.

Washington - H.B. 188 would have amended the PUD law to authorize the advertising and promotion of the sale and distribution of electric current and water.

- H.B. 205 would have amended the PUD law to authorize a PUD to perform work by regularly employed personnel not exceeding \$30,000 labor cost without a contract; to purchase materials, equipment and supplies not exceeding \$5,000 in any month without a contract; and revised other contract procedures.

- S.B. 234 would have authorized the state and its agencies and subdivisions to refund outstanding obligations.



Pending

Alaska - H.B. 15, carried over to 1966 session, amends Sec. 29.50.050 to authorize municipal corporations to issue revenue bonds for public works, including electric power and light plants and distribution facilities, without an election; deletes utility districts.

Commission Regulation

[ See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above. ]

Enacted

Maine - H.P. 846 (reported below, see "Power Supply and Electric Lines, Enacted").

Nebraska - L.Res. 58 recommends that power controversies be concluded by placing the generation and transmission of electricity under one newly created power agency and that this agency divest itself of retail customers as soon as possible (as provided in L.B. 764, see "Enabling Laws; Amendments, Pending," above), and if the legislature does not find this acceptable, that the authority of the Power Review Board be expanded to cover these purposes.

Failed

Alabama - S.B. 31 would have prohibited any electric utility company operating within and under the laws and regulations of the State, from making connection or disconnection charges where no actual work or installation or removal of facilities is done on the premises; to be enforced by the Public Service Commission.

Colorado - H.B. 1414 would have added a new section to the Public Utility Act specifically exempting from the jurisdiction of the Public Utilities Commission municipally owned utilities whether located wholly or partially within the municipality and specifically excluding from PUC jurisdiction purchases by or transfer to municipalities of utility properties or facilities.

Florida - S.B. 677 (H.B. 1402) would have removed the exemption in the Public Utility Law of sales of natural gas to direct industrial customers including municipal electric generating plants, and subjected such sales to regulation by the Public Utilities Commission.

Illinois - S.B. 896 would have prohibited a public utility from selling both gas and electricity to the public.

Maryland - H.B. 27 would have amended Public Service Commission law to prohibit gas and electric companies from offering, paying or giving any inducements for the use of their services. [Submitted by the Legislative Counsel to clarify the Public Service Commission's authority over promotional payments, and introduced at instigation of the fuel oil industry.]

- S.B. 54 would have amended the provisions of the Public Service Commission law prohibiting discrimination in charges, to make an exception in the case of an electric company so as to permit rates based on the nature of the usage of the electricity used or on the kind of appliance.

Montana - S.B. 229 (see "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed", above).

Nebraska - L.B. 143, indefinitely postponed 2/9/65, would have abolished the Nebraska Power Review Board.

- L.B. 290, indefinitely postponed 4/30/65, would have amended Sec. 75-719 to authorize construction of transmission lines (over 700 volts) in advance of formal application to and approval by the Railway Commission and without prior written consent of railroads and telegraph companies. (Carries out fifth recommendation of Legislative Council Committee on Public Power.)

- L.B. 681, indefinitely postponed, would have subjected to Nebraska Power Review Board approval service rates of generation and transmission for electric power and energy to other public power districts with points of delivery in more than five counties; required generation and transmission districts to provide electric or wheeling service, or both, to any power district if capacity were available, terms and conditions to be established by the Board in the event of disagreement.

- L.B. 767, indefinitely postponed, would have required municipalities to secure Power Review Board approval for construction of generation or transmission facilities when an adequate and firm supply of power is available unless cost no greater than purchase from available source is demonstrated.

- L.B. 288 indefinitely postponed 7/22/65, would have required the expansion of the chartered territory of each district (including those jointly operated) to include its entire service area, including its retail distribution area, and its wholesale distribution area, defined as the aggregate of the retail distribution areas of public utilities supplied by the selling district by transmission lines under firm energy contracts with terms of 5 years or more; made specific provisions with respect to exclusion or inclusion of service areas, and the segregation of service areas where systems are jointly operated. In case of noncompliance, Department of Water Resources would have authority, upon complaint of any district, and notice and hearing, to enforce compliance, utilizing the Power Review Board if desired. (Carries out fourth recommendation of Legislative Council Committee on Public Power of broad representation for boards of directors of power districts.)



- L.B. 289 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nevada - A.B. 428 would have amended the public utilities act to prohibit any gas or electric company to offer or pay any compensation or reduced rates, or free appliances or equipment, except such as customarily supplied and essential for delivery and use of service, for the purpose of securing installation of the company's service or its continuance.

New Hampshire - H.B. 82, referred to the Legislative Council for interim study and report to the 1967 session, would have repealed RSA 38:1 which subjects accounts and records of municipal lighting and water systems to Public Utilities Commission control.

New Mexico - H.B. 201 would have extended the time for filing of applications for certificates of convenience and necessity by utilities engaged in wholesales for resale, and exempted such utilities from the commission supervision and inspection fees based on gross receipts. [Sponsored by Statewide to resolve the question of Public Service Commission jurisdiction over G&T cooperatives.]

New York - A. 3073 would have amended Public Service Law by prohibiting the sale of household appliances by gas or electric corporations or other public utilities.

- S. 1847 (A. 2084) would have amended Public Service Law to prohibit estimated billing by electric corporations for any two consecutive billing periods.

Oregon - H.J.Res. 45 would have called upon the Public Utility Commissioner to request Oregon electric utilities to refund and reduce rates to reflect the reduction in Federal corporate income tax rates.

West Virginia - H.B. 750 (S.B. 146) would have prohibited utilities from selling, supplying, servicing or distributing appliances using their service.

#### Pending

New Jersey - A. 258 amends the public utilities act provision prohibiting rate preferences to permit service to employees of electric and gas utilities at reduced rates.

Pennsylvania - H.B. 509 amends the public utility law to require public utilities to read meters at least once a month.

- H.B. 1468 and H.B. 1469 subject authorities created under the municipality authorities act to Public Utility Commission regulation with respect to any services they render which are such as performed by regulated utilities.



## Taxation

### Enacted

Illinois - H.B. 1181 (S. 780), approved 7/16/65, increases from 2 to 3% the tax on gross receipts from sales of electricity consumed and not for resale.

New Mexico - S.B. 254 provides for taxation of property belonging to municipal electric utilities.

North Carolina - H.B. 609, enacted as Ch. 517, amends the gross receipts franchise tax act by requiring wholesale suppliers of power to include wholesales to electric membership corporations and permitting such corporations to deduct the amounts paid for wholesale energy to their vendors.

- H.B. 255 (S.B. 95) eliminates tax exemption of electric cooperatives (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted").

- S.B. 97 and 98 continue tax exempt status of two electric cooperatives (reported above under "Enabling Laws; Amendments, Enacted").

North Dakota - S.B. 41, approved 3/19/65, Ch. 97, amends the electric cooperative law by abolishing the exemption from excise taxes (approved by the Statewide).

- S.B. 42, approved 3/19/65, Ch. 400, provides for the payment in lieu of advalorem property taxes, by rural electric cooperatives operating generating plants of over 100,000 KW capacity, of an annual franchise tax of one percent of gross receipts for the first two years of operation, and thereafter two percent, and \$150 per mile on transmission lines of 230 KV or larger; provides procedures and formula for collection and distribution of the taxes collected [Sponsored by a G&T cooperative.]

- H.B. 944, enacted as Ch. 399, amends Sec. 57-03-04 ND Code, which imposes a gross receipts on electric cooperatives in lieu of personal property taxes, by adding provisions authorizing incorporated cities or villages in which consumers are served by an electric cooperative to impose an annual tax based on the value of the cooperative property located therein.

New York - A6080 (S.4605), enacted as Ch. 539, amend generally the 1965 sales and use tax laws, to include under its coverage public corporations of the State which sell services or property ordinarily sold by private persons, associations or corporations, and to exempt sales of electricity used directly and exclusively in research and development in the experimental or laboratory sense.

Utah - S.B. 167, effective 7/1/65, amends Sec. 59-15-4 (b)(2) by deleting the exemption for electric cooperatives from the 2/5% sales tax on electricity sold or furnished for domestic or commercial consumption.

Vermont - H. 318 amends act restricting electric energy tax to hydroelectric energy when an atomic energy plant of not less than 200,000 KW capacity has been placed in commercial operation in Vermont.

Failed

Arkansas - S.B. 13 would have exempted from the gross receipts tax sales to public electric companies of transformers used as part of the primary electric power generating and distribution systems.

- S.B. 147 would have eliminated the exemption of electric transformers and meters from the Use Tax Act.

California - S.B. 1223 would have eliminated the exemption from sales and use taxes of gross receipts on sales of electricity and other utility services.

Kansas - H.B. 870 would have imposed a state tax of  $\frac{1}{2}$  mill per kwh on all electric energy generated in Kansas.

Minnesota - S.F. 1811 (H.F. 1943) would have provided for assessment by Commissioner of taxation at 5% of the full and true value of the proportion of any fossil or nuclear fueled power plant constructed after 7/1/65, which is used to furnish power for the mining, transportation, or concentration of taconite. [S.F. 1811 passed the Senate with an amendment which extended the bill to include cooperative power plants but was tabled in the House.]

Montana - S.B. 203 and S.B. 229 (reported above under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nebraska - L.B. 647 would have repealed provisions of law (Sec. 70-651.01 through Sec. 70-651.05) relating to payments in lieu of taxes by public power districts.

North Dakota - S.B. 126 and S.B. 127 would have amended the statutes dealing with cooperative taxation to provide for taxation of cooperative generating plants of over 100,000 KW capacity and transmission lines of 230 KV capacity or more. [See S.B. 42, "Enacted" above.]

New York - S. 4506 (A.5989) would have exempted from the sales and use tax law (CH.93, Laws of 1965) sales of electricity used directly and exclusively for heating, lighting, cooking or refrigeration.

Oregon - S.B. 254 would have exempted the interest on all bonds issued by any State agency, political subdivisions, quasi-municipal or other public corporations or bodies from State taxation.



H.F. 188 (S.F. 97) authorizes municipal utilities jointly to own and operate electric generation and transmission facilities among themselves or with cooperatives and others.

S.F. 525 (H.F. 611) establishes procedures for obtaining franchises to cover rights acquired by eminent domain.

Maine - H.P. 846 (L.D. 1147), effective 9/2/65, Ch. 446, empowers the Public Utilities Commission, upon its own motion or application, to order any municipally-, cooperatively- or privately-owned electric utility temporarily to transport electric energy over its transmission or distribution lines, at a reasonable charge and as directed by the PUC, to alleviate an electric power shortage which exists by reason of an emergency.

Missouri - H.B. 625 authorizes the Director of State Parks to give West Central Electric Cooperative an easement for electric transmission lines through Knob Noster State Park.

Nebraska - L.B. 789 amends existing statute relating to establishing of municipal utilities, including electricity, by authorizing cities and villages to contract by resolution of the council or board of trustees, without a vote of the electors, for the furnishing of electricity to the city and its inhabitants by any public power district chartered to serve the county, if no tax or issuance of bonds is required, or for the sale, lease or transfer of municipal electric facilities to such districts.

Oklahoma - S.B. 234, approved 5/27/65, ratifies the Kansas-Oklahoma-Arkansas River Basin Compact, providing for apportionment and orderly development of the waters of the Arkansas River Basin.

Oregon - H.B. 1467, enacted as Ch. 185, increases the state license fees for hydroelectric development projects from 15¢ to 25¢ per hp up to 50, and from 5¢ to 15¢ per hp over 50.

- S.B. 286, enacted as Ch. 333, makes the regulatory provisions of the laws relating to hydroelectric development inapplicable to regulated public utilities.

Wisconsin - A. 733 (previously reported erroneously as A.B. 790), approved 11/3/65, Ch. 338, authorizes establishment of standards for electric transmission line pole warning signs.

#### Failed

California - A.B. 895, would have amended section 285 of the Penal Code making it a misdemeanor to operate, place, erect or move tools, machinery, equipment, buildings or structures so that they are within six feet of a high-voltage (over 750 volts) overhead conductor.

- S.C.Res. 77 would have requested Department of Water Resources, Office of State Planning, to study together with utility companies and districts and the Public Utilities Commission, the planning and location of the proposed P.G.&E. 500 KV lines to traverse the Sacramento Valley.



South Carolina - H. 1747, tabled in House 5/26/65, would have placed electric distribution cooperatives on the same tax basis as investor-owned power companies, including income tax, license fees, and advalorem taxes, and repealed existing exemptions. [Similar provisions were added to the general appropriations bill in the House but were deleted in the Senate.]

- H. 1853, would have exempted from sales tax gross proceeds from sales of electricity to radio and television stations.

Tennessee - S.B. 182 (H.B. 281) would have eliminated the 3% sales tax on electricity.

- S.B. 581 (H.B. 751) would have authorized municipal electric systems to transfer revenues into general funds as payments in lieu of taxes, and to contract for the distribution of such funds among governmental units in the service area.

#### Pending

Michigan - H.B. 2800 provides for assessment by the State Tax Commission of the property of electric utility companies, in the same manner as provided for other utilities.

Pennsylvania - H.B. 948 exempts from the sales and use tax the sale at retail or use of electricity in dwelling houses.

#### Power Supply and Electric Lines

##### Enacted

Arkansas - H.B. 2, approved and effective 1/25/65, Act 4, authorizes public utilities to contract, subject to Public Service Commission approval, for definite terms of no more than 25 years, on an interruptible basis, for the use of their service for manufacturing, generation, processing, preparation of products, or industrial purposes.

Idaho - S.B. 205, approved and effective 3/30/65, Ch. 320, establishes the Idaho Water Resource Board with authority to generate and wholesale hydroelectric power at the site of production if power production is connected with another project purpose. NEW

Iowa - H.F. 45, approved by Governor 5/4/65 and effective upon publication, amends Sec. 489.14 Code 1962, as amended, by increasing the maximum right-of-way which may be franchised by the Iowa Commerce Commission to be taken by eminent domain from 100 to 200 feet for lines of 200 KV or higher voltage, and providing for reversion of the right-of-way in the event of abandonment or non-use for 5 years. [Sponsored by Iowa Statewide.]

Maine - S.P. 214 (L.D. 673) would have authorized Eastern Electric Cooperative to develop the Mattawamkeag River power project and to exercise the right of eminent domain therefor. [Sponsored by the cooperative but was abandoned when S.P. 538 (reported under TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted") was enacted eliminating the prohibition against cooperative exercise of eminent domain.]

- S.P. 321 (L.D. 1070) would have created the Maine Power Authority to develop the power resources of the Upper Saint John River by building hydroelectric power projects and transmission lines, to issue revenue bonds, and market and interchange energy, etc.

Nebraska - L.B. 760 would have required public power district deriving at least 50% of its revenue from wholesale sale of energy to sell power to any municipality, district or cooperative if it has or can obtain the energy. If wholesale district fails or refuses to deliver or has inadequate transmission facilities, then the agency requesting service may provide necessary facilities and connect to the wholesale district facilities. Facilities of both are to be available for wheeling power to other power agencies. [See also L.B. 762, "Enabling Laws; Amendments, Failed", above.]

- L.Res. 16 would have provided for appointment by the Legislative Council of a committee of nine to continue the study of public power in Nebraska, and the need for planning public power supply. (Carries out seventh recommendation of Legislative Council Committee on Public Power.)

New Hampshire - H.B. 397 would have required that all electric lines be installed underground after 7/1/65, and that all existing lines be placed underground within 20 years.

New Mexico - S.B. 12 would have made available to electric utility companies the special alternative procedure for eminent domain, including taking of possession prior to judgment, which was established for state highway purposes.

New York - S. 1856 (A. 2780) would have amended transportation corporations law to prohibit condemnation of real estate for the installation of overhead high power transmission lines in any city, town, village or county covered by zoning laws without having a map of the route on file with the designated official for five years, obtained the written agreement of every property owner along and within 1,000 feet of the route, and after public hearing at which the governing body votes by a 2/3 majority to authorize such lines; also prohibits such lines across state lands without prior written permission or easement from the state.



- S. 1437 (A. 2926) would have created a temporary state commission to investigate power rates being charged by the New York State Power Authority to determine if the rates are excessive and how they may be reduced; to report to the 1966 legislature.

Oklahoma - H.J.Res. 554, vetoed by Governor, would have cleared the way for effective renegotiation of the Grand River Dam Authority power contract with Public Service Company of Oklahoma.

- H.B. 1119 would have established the Oklahoma Industrial Power Authority to establish facilities for production of power, energy, water, etc., including construction of a steam generating plant near Catoosa and Locust Grove, to issue bonds not exceeding \$45 million for such purposes, and to establish rates for the services sold.

Oregon - S.B. 390 would have established the Oregon Power Development Commission to develop the hydroelectric resources of the state.

Washington - H.B. 606 would have ratified and enacted the Columbia Interstate Compact.

#### Pending

Michigan - H.B. 215 authorizes villages to enter into contractual relations with other government units to sell services performed by the villages.

Pennsylvania - H.B. 806 requires electric utilities before acquiring property or easements, to submit their plans to the county planning commission.

Wisconsin - A.J.Res. 90 (previously reported erroneously as A.J.Res. 10) directs the joint legislative council to conduct a study of state assistance to municipalities for the taking over for flood control purposes of dams on the Willow and Apple Rivers proposed to be abandoned by Northern States Power Company.

#### Electrical Licensing and/or Inspection; Professional Registration

##### Enacted

Florida - H.B. 1464 (previously reported erroneously as "Failed") establishes a Board of Electrical Contractor Examiners for the licensing of electrical contractors in Orange County.

Montana - H.B. 246, approved by Governor 3/25/65, effective 7/1/65, Ch. 148, 1965 Session Laws, enacts the Electrical Safety Law, establishing a State Electrical Board for the licensing of electrical contractors and electricians, the establishment of construction standards, and the inspection of electrical installations; prohibits energization by power suppliers, including cooperatives, without inspection tag issued by the board (electric public utilities and work by owner on own property are exempted).



Montana - H.B. 246, approved by Governor 3/25/65, effective 7/1/65, Ch. 148, 1965 Session Laws, enacts the Electrical Safety Law, establishing a State Electrical Board for the licensing of electrical contractors and electricians, the establishment of construction standards, and the inspection of electrical installations; prohibits energization by power suppliers, including cooperatives, without inspection tag issued by the board (electric public Utilities and work by owner on own property are exempted).

Oklahoma - H.B. 1024, approved by Governor 7/5/65 and effective 7/5/65, authorizes the establishment of a joint City and County Electrical Examining and Appeals Board in any county including a city with population of 30,000 or more, to examine and license electricians and electrical contractors, provide for electrical inspections, and adopt an electrical code; exempts regulated utilities.

Washington - S.B. 346, enacted as Ch. 65, makes it unlawful to erect, place or maintain any electrical apparatus or construction except in accordance with the standards specified therein.

West Virginia - H.B. 677 (S.B. 118) adopt the National Electrical Code as minimum standard for installations, etc., in factories, mercantile establishments, mills or workshops.

#### Failed

Arizona - H.B. 82 would have established a Board of Engineer Examiners and provided for licensing of stationary engineers operating engines for generation of power.

Arkansas - S.B. 254 would have established a State Board of Electricity, provided for the licensing of electricians and electrical contractors, and for the inspection of electrical installations; adopted the National Electrical Code as prima facie evidence of approved methods of construction; and exempted work in connection with property of public; municipal and cooperative utilities, and work in municipalities having licensing and inspection laws.

California - A.B. 2651 would have created State Board of Professional Inspection, with authority to certify professional inspectors including professional electrical inspectors who meet statutory qualifications.

- A.B. 2921 would have amended statute creating State Board of Registration for Civil and Professional Engineers to include requirement for registration of electrical engineers.

Colorado - H.B. 1168 and H.B. 1361 would have amended existing laws providing for the licesning of electrical contractors by providing for representation on the State Electrical Board of electric utilities including cooperatives, adopting the 1962 National Electrical Code as minimum standards, requiring lisenaing and inspection of electrical work by owner of rental property, and by adding provisions for electrical inspection.

Florida - H.B. 1976 (S. 1095) would have enacted Electrical Contracting Registration Act, for the regulation and licensing of electrical contractors; prohibited electrical work by unlicensed persons; provided for licensing on a statewide or limited geographical basis, and for general or specialty licensing; and exempted employees of utilities engaged in the sale of electrical power in the state.

- H.B. 1977 (S.B. 1094) would have enacted Electrical Safety Code Act, creating a Board of Electrical Contracting to issue permits for and inspect electrical installations except in areas which have local regulation, and adopting the National Electrical Code as minimum standards.

Idaho - H.B. 10 would have changed from 2 to 3 years the period of work as a journeyman electrician or apprentice electrician to qualify for a journeyman electrician's license.

Iowa - H.F. 481 (S.F. 480) would have established state board for the licensing of electricians, and provided for inspection of installations.

Kansas - H.B. 1078 would have established the Kansas Electric Administrative Board, to establish standards for electrical equipment and its installation conforming to the National Electrical Code, to license electrical contractors and journeymen electricians to issue permits for electrical work, and to provide for electrical inspection; exempted electric and telephone utilities including cooperatives, and installations by an occupant-owner of a house or farm.

Maine - S.P. 383 (L.D. 1199) and S.P. 540 would have amended electricians licensing laws.

Maryland - H.B. 537 would have required an electric company to connect service without prior inspection if the premises are not inspected within seven days after owner has given notice of readiness of inspection.

Minnesota - S.F. 515 would have amended Sec. 326.24(2) Minn. Stats. 1961, to provide that the State Board of Electricity shall have no jurisdiction, or authority over, or the right to inspect, installations, materials or equipment which are owned, leased or operated or maintained by a utility and are located on the utility side of the point of attachment with consumer-owned facilities. [Sponsored by the Statewide to clear up misunderstanding as to the jurisdiction of the State Board.]

- S.F. 789 (H.R. 938) would have amended the laws relating to inspection of electrical installations by adopting the National Electrical Code, 1962 Ed., as prima facie evidence of reasonable standards.



- S.F. 1127 would have amended the laws relating to inspection of electrical installations by specifically including rewiring as well as new installations and by updating the reference to the National Electrical Code, 1962 edition.

- S.F. 1859 would have amended the laws establishing State Board of Electricity by providing for representation thereon of public members not connected with the electrical industry.

- S.F. 1803 (H.F. 1933) would have created an interim commission to study the desirability of establishing new methods of administering inspection of electrical installations and establishing new standards of reasonable inspection; to report to the Legislature not later than January 15, 1967.

Nebraska - L.B. 605, indefinitely postponed, would have established a State Electrical Division and a State Electrical Board, to adopt rules and regulations governed by the National Electrical Code, 1962 ed., to examine and license electrical contractors and journeyman electricians; exempted employees of utilities, including public and cooperative, and individuals doing electrical work in their own homes.

New Mexico - H.B. 125 would have amended the laws relating to the examination and licensing of electrical contractors and journeymen electricians, including increase from \$50 to \$200 of the fee for any examination or license.

- H.B. 135 would have amended the contractors and electricians licensing law by spelling out requirements for eligibility for an electrical contractors or journeyman electrician license establishing an examination or license fee of \$200, and specifying circumstances under which licenses terminate.

North Carolina - H.B. 548 would have amended the law relating to privilege licenses for electrical and other contractors by specifically including installers of air conditioning equipment.

Oregon - H.B. 1561 would have amended the electrical licensing law to permit installation by a regular employee of a person on the employer's property.

Utah - H.B. 194 would have required the director of the Utah state building board to maintain on file in his office current copies of the National Electrical Code, National Electrical Safety Code, and the Rules, Regulations and Standards of the Underwriter's Laboratories, Inc., which shall be accepted in any Utah court as conclusive evidence of approved methods, regulations and standards.

Washington - H.B. 342 would have amended the electrical contractors licensing law by prohibiting the issuance of a license unless the prescribed qualifications are met.



West Virginia - H.B. 530 (S.B. 117), vetoed by Governor, would have amended electrical contractor and electrician law by providing for recognition of licenses issued by cities or towns; exempts permanent public utility employees from license requirement for work done on premises.

Wyoming - H.B. 272 would have repealed Ch. 75, Law of 1963, establishing the State Electrical Board.

#### Pending

New Jersey - S. 120 amends the Electrical Contractors Licensing Act of 1962 by adding provision for a limited "residential electrical contractor's license" for contractors limiting their work to residential premises used by not more than 2 families.

Pennsylvania - H.B. 707 enacts an Electrical Contractors Registration Law.

- H.B. 708 creates a State Board of Examiners of Electrical Contractors.

#### Atomic Energy - Radiation Regulation

##### Enacted

Colorado - S. 231 enacts the Radiation Control Act, designating the State Department of Public Health as the state radiation control agency.

Georgia - S.B. 35, Act 297, authorizes the Department of Public Health to enter into cooperative agreements with the Federal Government, other states, or interstate agencies, to perform inspections and other functions relating to the control of ionizing radiation.

Michigan - H.B. 2009, enacted as Public Act 54, authorizes the Governor to contract with the Federal Government for the state to assume responsibility with respect to regulating sources of ionizing radiation.

Missouri - S.B. 270 amends the law establishing the Commission on Atomic Energy and ratifies the Southern Interstate Nuclear Compact.

New Hampshire - H.B. 58, enacted as Ch. 336, amends the 1963 Radiation Control Act by establishing a Radiation Advisory Committee, and assessing annual fees for licenses and registration.

North Carolina - H.B. 544 enacted as Ch. 858, enacts the Southern Interstate Nuclear Compact.

North Dakota - S.B. 202, enacted as Ch. 196, enacts a radiation control act, designating the State Department of Health to administer a licensing and regulatory radiation program, and authorizing cooperative arrangements with the Federal Government.

Oklahoma - S.B. 496 (H.B. 510), approved 6/16/65, enters Oklahoma into the Southern Interstate Nuclear Compact.

South Carolina - S. 15, approved 2/26/65; amends the law ratifying the Southern Interstate Nuclear Compact so as to add the State of Missouri to the Compact.

South Dakota - S.B. 32 amends the workman's compensation law relative to injuries or death resulting from exposure to ionizing radiation.

Tennessee - S.B. 656 (H.B. 771), enacted as Ch. 240, amends the Southern Interstate Nuclear Compact to include Missouri.

Washington - S.B. 15 (H.B. 15), enacted as Ch. 38, amends the laws relating to the development, regulation and utilization of sources of ionizing radiation.

- S.B. 34 (H.B. 34), enacted as Ch. 10, establishes in the Department of Commerce and Economic Development a Nuclear Energy Development division to promote development of nuclear energy.

#### Failed

Alabama - S.B. 164 appropriates funds for support of the Southern Interstate Nuclear Board (\$3,500 for fiscal 1966 and for fiscal 1967).

Colorado - S. 133 would have authorized the State Department of Public Health to license radiation materials and register all sources of ionizing radiation other than radioactive materials and to enter into agreements with the Federal Government, other states, or interstate agencies, to perform inspections and other functions relating to control of ionizing radiation; and authorized the Governor to enter into agreements with the Federal Government for the state to take over responsibility therefor.

Florida - H.B. 2035 would have amended the Florida Nuclear Code.

Montana - H.B. 350 would have designated the State Board of Health as the state radiation control agency to regulate sources of ionizing radiation compatibly with Federal regulation and to license and register persons handling radioactive material.

New Mexico - H.B. 350 would have amended the state radiation control act by authorizing cooperative agreements with the Federal Government, other states or interstate agencies.

Oklahoma - S.B. 125 imposes liability on the operator of a nuclear facility, without proof of fault, for off-site injury arising out of a nuclear incident.

Utah - H.B. 143 would have empowered the State board of health to require registration of ionizing radiation sources and to conduct a radiation control program.

Washington - H.B. 500 (similar to H.B. 34) (S.B. 34) [see "Enacted," above] would have established a revolving fund for nuclear energy development.

West Virginia - S.B. 5 (H.B. 510) would have established the West Virginia nuclear energy and space commission for the regulation and possession of sources of ionizing radiation.

Wyoming - H.B. 77 (S.F. 142) would have authorized agreements for the State takeover of authority to license and regulate the production of material or machines emitting ionizing radiation and provided for State Board of Health to regulate same.

Pending

Pennsylvania - S.B. 295 enacts the Atomic Energy Development and Radiation Control Act.

Disposition of Unclaimed Property

Failed

Colorado - S.B. 315, indefinitely postponed in Senate on 4/19, would have authorized rural electric cooperatives to retain unclaimed capital credits and use same for educational or charitable purposes. [A substitute proposal was sponsored by Statewide to offset effect of enactment of H.B. 1166, see "ELECTRIFICATION AND TELEPHONE, Disposition of Unclaimed Property," below.]

Miscellaneous

Enacted

New Mexico - H.B. 116, enacted as Ch. 21, amends municipal revenue bond act to include electric systems in term "municipally owned utility."



Failed

California - S.B. 613 would have authorized county supervisors to adopt fee schedule for testing electric and other meters used to calculate payments under private contracts not subject to PUC jurisdiction.

Illinois - H.B. 1025 would have amended Eminent Domain Law to permit the taking or damaging of public utility property by a city, village or incorporated town without the prior approval of the Illinois Commerce Commission.

Nebraska - L.B. 24, indefinitely postponed 2/9/65, requires that when the profits of any power supplier exceed the amounts needed, including necessary improvements and additions and repayment of indebtedness, the excess shall be applied only to reduction of rates; penalty-removal from office of director. (Carries out first recommendation of the Legislative Council Committee on Public Power.)

Pending

Pennsylvania - H.B. 305 amends the law providing for the settlement of public utility labor disputes by eliminating the prohibition against work interruptions during mediation and by deleting the prohibition against employees leaving employment in concert or agreement with others.

The first part of the paper deals with the general principles of the theory of the atom. It is shown that the atom is a system of particles, which are bound together by forces of attraction. The forces of attraction are of two kinds: the forces of attraction between the particles of the atom and the forces of attraction between the atoms themselves. The forces of attraction between the particles of the atom are of the kind which is called the "strong" force of attraction. The forces of attraction between the atoms themselves are of the kind which is called the "weak" force of attraction. The forces of attraction between the particles of the atom are of the kind which is called the "strong" force of attraction. The forces of attraction between the atoms themselves are of the kind which is called the "weak" force of attraction.

CONCLUSION

The results of the investigation show that the atom is a system of particles, which are bound together by forces of attraction. The forces of attraction are of two kinds: the forces of attraction between the particles of the atom and the forces of attraction between the atoms themselves. The forces of attraction between the particles of the atom are of the kind which is called the "strong" force of attraction. The forces of attraction between the atoms themselves are of the kind which is called the "weak" force of attraction.

### III. ELECTRIFICATION AND TELEPHONE

#### Enabling Laws; Amendments

##### Enacted

Iowa - S.F. 113, enacts the Iowa Nonprofit Corporation Act governing the incorporation of nonprofit corporations for any lawful purpose.

Maryland - S.J.Res. 1, approved 5/4/65, requests the Governor to appoint a commission to review the provisions of the corporation laws dealing with membership corporations, special types of corporations, and corporations with limited number of stockholders.

Oregon - S.B. 312, enacted as Ch. 632, revises the laws governing business, nonprofit and cooperative corporations.

South Dakota - H.B. 894, enacts the South Dakota Nonprofit Corporation Act.

- H.B. 895, amends and reenacts the South Dakota laws relating to cooperative corporations (Ch. 11.11 SDC).

##### Failed

Colorado - S.B. 340 would have amended Sec. 31-19-14, Colo. Rev. Stats. 1963, authorizing any foreign nonprofit corporation to conduct its affairs in Colorado without obtaining a certificate of authority or otherwise qualifying.

Washington - H.B. 263 would have enacted a new Nonprofit Corporation Act.

##### Pending

Michigan - S.B. 90 adds a new section to the General Corporation Act relative to the qualification of foreign corporations to do business in Michigan.

#### Commission Regulation

[See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above.]

##### Enacted

Florida - H.B. 1165 (S.B. 646) changes the base year for computation and the date of payment of the tax of 1/25th of 1% of gross revenues but not less than \$25 annually) from intrastate business into the Public Utilities Regulatory Trust Fund.

- S.B. 9 changes the name of the Florida Public Utilities Commission to Florida Public Service Commission.



- S.B. 152 amends the Florida Public Utilities Commission law dealing with the qualifications and oath of office of commissioners to prohibit ownership of any utility stock or bonds and any interest in a utility company.

Idaho - H.B. 250, approved 3/26/65 as Ch. 215, extends from 2 to 3 years the period for filing complaints with the Public Utilities Commission concerning excessive or discriminatory charges.

- H.B. 193, approved 3/13/65, amends Sec. 62-211 Idaho Code to authorize a hearing examiner to undertake or hold any investigation, inquiry or hearing for the PUC and to represent the PUC in actions and proceedings.

Missouri - H.B. 289 passed House 4/7/65, Senate 6/28/65, eliminates the \$400,000 limitation on regulatory fee of 8/100 of 1% of total gross intrastate operating revenues.

New Mexico - S.B. 198 enacted as Ch. 289, amends the Public Service Commission Act with respect primarily to procedures and administrative matters; repeals Sec. 68-11-5 which provided for consumers' counsel.

North Dakota - H.B. 547 amends the public utility law relative to rate charges.

Utah - H.B. 72 adds Sec. 54-5-1.5, Utah Code Annotated, imposing a new special fee on public utility business and operations, to be fixed and collected by the state tax commission, but not to exceed .25% of gross operating revenues, as required for the administration, support and maintenance of the Public Service Commission.

#### Failed

California - A.B. 1557 would have amended Public Utilities Code to require PUC, in approving construction of public utility facilities, to consider aesthetic values.

Florida - S.B. 624, tabled 5/19/65, would have authorized the Public Utilities Commission, in regulating rates, to consider the adequacy and value of the service rendered, and the utility's ability to improve service; and directed that service complaints be heard during rate proceedings.

- S.B. 90 would have increased the membership of the PUC to five and provided for staggered terms.

Idaho - H.B. 169 (H.B. 200) would have required the Attorney General to appoint an attorney to represent the people in PUC rate hearings and appeals.

Illinois - H.B. 1426, unfavorably reported 6/8/65, would have amended the Public Utility Law to prohibit any public utility from furnishing any inducement or equipment for installation of equipment or the discontinuation of the use of the equipment or services of another.

- H.B. 974 would have amended Public Utility Act to require that 10 days written notice be given of any hearing to the owners of property required to be taken or damaged in connection with the utility construction or repair involved in the hearing.

- S.B. 758 (H.B. 1147) would have amended Public Utility Act to authorize any regulated utility to agree with municipality operating a sewage plant to terminate its service to any consumer certified by the municipality as delinquent in paying for sewage service.

Iowa - H.B. 605 would have amended the 1963 utility regulatory law by redefining utilities regulated to include those "furnishing electricity, directly or indirectly, to the public for compensation," and allowing the Commerce Commission to impose conditions on the discontinuing, reducing or impairing of service.

Maryland - S.B. 304 would have amended Public Service Commission law to prohibit discontinuance of utility service except upon 30 days notice.

Missouri - H.B. 197 would have prohibited public utility from offering or paying any compensation or furnishing any equipment to secure installation or use of its service except upon approval thereof by the Public Service Commission.

- H.B. 296 would have authorized cities of the fourth class and any incorporated town or village in any county of the first class with a charter form of government (St. Louis County) to license, tax and regulate public utilities; would have authorized such county to license, tax and regulate public utilities in the unincorporated areas of the county.

- H.B. 594 would have authorized Public Service Commission to prescribe temporary rates pending final determination in a rate proceeding.

Nevada - A.B. 588 would have amended the public utilities act by empowering the commission to regulate promotional activities and advertising.

- S.C.R. 12 would have directed the Legislative Commission to study and report on the Public Service Commission and public utility law.

New Hampshire - H.B. 760 would have prohibited disconnection of service by any regulated public utility for nonpayment of bills until 60 days after due date and seven days written notice in addition.

New Mexico - S.B. 120 would have established an interim joint legislative committee to examine statutes, constitutional provisions, regulations and court decisions concerning public utilities, the policies and rates of utilities, and the effectiveness of present laws, and to report to the 1967 legislature.

- H.B. 195 would have merged the Public Service Commission and the State Corporation Commission, and amended the PSC law to place the burden of proof in rate cases on the applicant or complainant.

Ohio - H.B. 267, indefinitely postponed in House 7/22/65, would have required public utilities to adjust rate schedules, subject to commission approval, to give effect to the reduction in Federal income tax.

- H.B. 694, indefinitely postponed in House 7/22/65, would have amended public utility law to establish actual legitimate cost less recorded depreciation in valuing utility property for rate purposes and prescribed a formula for fixing rate of return.

Oregon - H.B. 1131 would have abolished the authority of public utilities to grant stock options subject to the Public Utility Commissioner's approval.

Washington - H.B. 406 would have amended the public service corporation law to direct the Public Service Commission, on petition of the company's customers, to investigate excess earnings of gas, electric, water or telephone companies, and to initiate a rate proceeding if excess earnings are found.

- H.B. 421 would have required excess earnings of a public service company to be placed in a reserve fund and applied as earnings in any year when a reasonable rate of return is not earned.

#### Pending

Pennsylvania - H.B. 807 amends public utility law to require finding by Public Utility Commission, before any public utility exercises the power to appropriate property, that the proposed facility is designed and located to do minimum injury to public and private property and to the public economy, including existing public facilities and improvements.

- H.B. 1032 amends the public utility law to prohibit any public utility from offering or giving inducements or subsidies for the use of its service.

South Carolina - S. 251, carried over to 1966 session, appoints a legislative committee to study the Public Service Commission.



## Taxation

### Enacted

Arkansas - H.B. 347 (S.B. 165), enacted as Act 125, and effective upon approval, subjects personal property of or leased by contractors procured outside the state and used, stored or consumed in performance of a contract within the state, to 3% tax under the Compensatory Tax Act; makes provision for withholding of sums due contractors or subcontractors.

California - A.B. 1086, adopted in Assembly and Senate with amendments, enacted as Ch. 1960, exempts from sales and use tax on tangible personal property, telephone and telegraph lines, electric transmission and distribution lines and poles, towers or conduits.

Idaho - H.B. 222, approved 3/24/65 and effective 7/1/65, Ch. 195, enacts the Idaho Sales Tax Act, imposing a 3% sales tax on sales of tangible personal property; Sec. 22(f) exempts "the sale or purchase of gas, electricity, and water when delivered to consumers."

NEW

Illinois - H.B. 1182 (S.B. 777), approved 7/16/65, provides that when the taxes paid by a utility exceed 3% of gross receipts, customers may be charged an additional amount to cover the excess.

New Hampshire - H.B. 151, approved 3/19/65 and effective 5/18/65, Ch. 13, authorizes the state tax commission to adjust the assessment of public utility property to bring it into proportion with the general level of assessment of other property throughout the state.

New York - Ch. 93, effective 8/1/65, enacts a new sales and use tax law, including provision for a 2% tax on sales, other than for resale, of electricity and intrastate telephone service.

NEW

- A. 869, enacted as Ch. 94, amends the 1965 sales and use tax law to exempt machinery or equipment used directly in the production of electricity, and telephone central office equipment.

### Failed

Alaska - H.B. 129, adversely reported in House on 3/9/65, would have prohibited the imposition of municipal sales tax on any utility service delivered outside municipal limits.

California - S. 1171 would have imposed sales and use tax of 2% on retail sales of electric and telephone and other utility services.

- S. 426 would have deleted requirement that local sales and use tax ordinances exempt communications, electric and other services furnished by public utilities subject to PUC regulation.

Florida - H.B. 2077 would have authorized Clay County to levy a tax not exceeding 7% of the first \$50 per month received on purchases of electricity, local telephone service, gas and fuel oil; would have exempted sales of natural gas to utilities, including municipals and cooperatives.

New Hampshire - H.B. 22 would have reduced the rate of interest on past due utility taxes from 10 to 6%.

Oklahoma - H.B. 1003 would have levied an assessment of 2 mills of the gross operating revenues from intrastate business on all public utilities to defray the expense of regulation by the Corporation Commission.

South Carolina - S. 367, concurrent resolution, passed Senate, defeated in House, that the Tax Study Commission and Tax Commission hold joint hearings to determine whether Sec. 65-256, 1962 Code, should be repealed or amended to permit the deduction of rents and interest by public service corporations in determining net income for income tax purposes; to report to the 1966 session.

West Virginia - H.B. 939 would have subjected sales of tangible property by any public service or utility business to the Business and Occupation Tax.

#### Pending

NEW

Delaware - H.B. 438(intro. and passed House 12/2/65) authorizes taxation of telephone and electric poles and installations. [No copy received]

Michigan - H.B. 2738 enacts the "Pole Tax Act of 1965" levying a special excise tax of \$1.00 per year per wooden pole, \$2.00 for steel poles, \$5.00 for poles made of aluminum, magnesium, deriuitim or other material used to support lines for the transmission of electricity or communications.

#### Electric and Telephone Construction

##### Enacted

Arkansas - H.C.R. 79 urges public utilities and industries to cooperate in promoting and preserving the beauty and cleanliness of the state, and to replace unsightly telephone and light poles by underground installations, and to refrain from production methods that produce smog, dirt and grime or air pollutants.

California - S.B. 331, approved 6/14/65, Ch. 644, adds section 21645 to the Public Utilities Code, prohibiting any public utility construction near an airport open to public use unless FAA determines it is not hazardous.



Michigan - S.B. 599 (previously reported erroneously as "Failed"), enacted as Public Act 323, amends the law dealing with marketable record titles to make it inapplicable to bar or extinguish an easement, evidenced by recorded instrument, where the existence of the easement is evidenced by the location beneath, upon, or above the land of any wire, cable, pole, tower or other physical facility whether or not such facility is observable.

New Hampshire - H.B. 234, enacted as Ch. 90, authorizes utilities, where ownership of real estate is unknown, or before filing petition with commission, to enter thereon for the purpose of determining the location of facilities.

#### Failed

Alabama - H.B. 985 would have required public utilities to give notice before felling dangerous trees on or along their rights-of-way.

NEW

Arkansas - H.B. 545 would have required restoration to former condition of any hard surface county road damaged in the construction or maintenance of utility facilities.

California - A.B. 104 would have provided that an easement acquired by a public utility for a limited purpose may not be used for any other or additional purpose without the owner's express written agreement.

Indiana - S.B. 111 would have repealed existing and enacted new laws relative to the terms of and procedures for granting utility franchises by cities and towns.

Kansas - H.B. 749 would have required any entity acquiring by purchase or condemnation rights-of-way for transmission of communications or electric power, etc., to remove all stone, rock, debris and other obstacles from the rights-of-way within 60 days after completion of construction, unless owner agrees otherwise; provided for recovery of triple damages.

Missouri - H.B. 234 (S.B. 362), passed House 4/7/65, failed in Senate 6/29/65, would have required that all equipment and facilities for distribution of electricity or communications, whether municipally, mutually, cooperatively or privately owned be safely designed, constructed and maintained, and conform to the minimum clearances and other standards ordered by the Public Service Commission; recognized compliance with National Electrical Code as compliance with the statutory requirements.



New York - S. 3467 (A. 5341) would have amended the transportation corporations law to require that any new electric transmission lines of more than 33 KV. be placed underground when located within any incorporated community having a population of 5,000 or more, or when located within specified distances from larger cities; to require all electric and telephone lines be removed from the surface of all city streets and avenues by 11/1/85; and to prohibit any city from granting an exclusive franchise or privilege by which a monopoly may be created or competition prevented on equal terms.

- S. 4075 would have authorized town boards to regulate the erection of utility transmission lines or wires, including requirement of underground construction.

North Carolina - H.B. 966 would have required any electric or telephone company acquiring an easement by contract or condemnation, to remove stumps, etc., in clearing timber or brush and to replant; also to give the landowner the option of retaining his timber.

#### Pending

#### NEW

Pennsylvania - H.B. 1979 permits location of transmission lines of public utilities on public property which is part of the right-of-way of a limited access highway.

#### Contractors and Professional Registration

#### Enacted

Arkansas - H.B. 504, approved and effective 3/9/65, Act 150, recodifies acts establishing the Contractors Licensing Board, regulating contractors on jobs involving \$20,000 or more.

#### NEW

Idaho - S.B. 68, approved 3/8/65, Ch. 107, enacts the Idaho Private Contractors License Act, establishing a board to examine and license contractors for all private construction; exempts construction work for or by public utilities under the jurisdiction of the Public Utilities Commission.

Indiana - H.B. 1048, enacted as Ch. 284, amends existing laws for the regulation of engineering and land surveying.

Kansas - H.B. 615 amends the Professional Engineers License Act by amending definitions and fee requirements.

Nebraska - L.B. 130 amends the laws dealing with registration of professional engineers and architects.

Nevada - A.B. 234, enacted as Ch. 400, amends existing laws for the regulation of professional engineers and land surveyors.

New Hampshire - S.B. 44 amends the professional engineers registration law.

New Mexico - S.B. 243, Ch. 281, amends contractor's licensing law by requiring filing of surety bond graduated in accordance with gross annual business.

Texas - S.B. 74 (H.B. 123) enacts the Texas Engineering Practice Act, providing for the regulation of engineers and the practice of engineering. [Cf. S.B. 512 (H.B. 1086), under "TELEPHONE, Miscellaneous, Enacted," below.]

Failed

Arizona - H.B. 174 would have established a Board of Professional Engineers, replacing the functions of the Board of Technical Registration with respect to engineers and engineering, and establishing requirements for registration of engineers and for certification as an engineer-in-training; would have exempted full-time utility employees with respect to work solely for employer.

Colorado - S.B. 100 would have enacted a new act providing for the regulation of the practice of engineering by a State Board of Registration for Professional Engineers.

- H.B. 1398 would have amended the existing law by revising the definition of the term "practice of engineer;" excluded work performed by Federal employees.

- H.B. 1411 would have enacted a new act providing for the regulation and licensing of contractors.

Florida - H.B. 1015 would have established Florida State Contractors Board with authority to examine and certificate general contractors; exempted utilities and electric cooperatives with respect to force account work, and contractors work on utilities.

Maryland - H.B. 603 would have established State Board of Registration of General Contractors and fixed standards of qualification and eligibility; would have included in definition of contracting the installation of electric wiring and the construction of lines for distribution of electric light and power.

New York - A. 2841 would have amended the laws dealing with professional engineering to authorize partnership or corporate practice.

North Dakota - S.B. 257 would have regulated the practice of engineering and land surveying, established a state board of registration and prescribed qualifications.

Oklahoma - S.B. 440 would have created a state licensing board for contractors.



Utah - S.B. 122 would have amended the contractors' licensing law by requiring applicants for licenses to file a bond or cash deposit not exceeding \$2,500 for the benefit of any person damaged by violation of the law or by fraud by the licensee.

Washington - H.B. 120 would have repealed the contractors registration law.

- H.B. 292 would have amended the contractors registration law.

#### Pending

New Jersey - S. 141 repeals the 1962 act establishing a special board to hear and act upon violations of the laws dealing with the illegal practice of engineering and architecture.

Pennsylvania - H.B. 286 and H.B. 287 amend the Business Corporation Law and the Nonprofit Corporation Law, respectively, to provide that such corporations engaged in the practice of engineering shall be subject to the Professional Engineers Registration Law.

#### Utility Relocation Reimbursement

##### Enacted

Indiana - H.B. 1424, enacted as Ch. 321, amends the 1961 reimbursement law to include highways constructed by the State Commission as well as the Interstate System.

Minnesota - H.F. 234 (S.F. 174), approved 2/17/65, Ch. 14, authorizes payment by the State Highway Commissioner of utility relocation costs out of the trunk highway fund directly to the highway contractor without requiring the utility to make payment and thereafter seek reimbursement; provides that the utility stipulate that it will reimburse the State for any costs for relocation in which the Federal Government will not participate.

South Dakota - S.B. 101 amends Sec. 23.1004 SDC prohibiting clearance of less than 18 feet from the ground over or across a public highway for electric and telephone wires by providing that the cost of adjusting such lines to conform may be assumed by the governmental body having jurisdiction over the highway where the adjustment results from acquisition of new highway right-of-way in which the utility has an interest.

##### Failed

Colorado - S.B. 263 would have authorized the State Highway Commission to regulate the relocation of utility facilities on, across or under Federal-aid primary or secondary roads as on the Interstate System and to reimburse the owner thereof.



Montana - S.B. 117, would have amended Sec. 32-1625, RCM 1947, to decrease from 75% to 25% the state's share of relocation costs incurred by utilities in connection with highway construction.

#### Disposition of Unclaimed Property

The following states considered the Uniform Disposition of Unclaimed Property Act which provides for escheat to the state of unclaimed property including utility deposits and undistributed dividends, stock, other certificate of ownership, etc., held by a business association for share and certificate holders, members, participating patrons of cooperatives, after failure to claim after a specified number of years, or on final distribution after dissolution; and other bills on this subject.

#### Enacted

New Hampshire - H.B. 448, enacted as Ch. 214, enacts a Comprehensive Unclaimed Property Law substantially in the form of the uniform act.

New Mexico - H.B. 500, Ch. 298, transfers administration of the act from the State Treasurers to the Commissioner of Revenue.

New York - S. 694 (A. 5058), enacted as Ch. 539, amends the Abandoned Property Law relative to unclaimed securities, or dividends or other distributions thereon.

Texas - H.B. 117 enacts the Uniform Disposition of Unclaimed Property Act.

#### Failed

Colorado - H.B. 1166, uniform act [see S.B. 315 on this subject, reported in "ELECTRIFICATION, Disposition of Unclaimed Property, Failed," above].

Iowa - S.F. 18, uniform act.

Kansas - S.B. 110, uniform act.

Maryland - H.B. 1172, uniform act.

Minnesota - H.F. 1729 and H.F. 1951, uniform act.

Ohio - S.B. 384, would have enacted Uniform Disposition of Unclaimed Property with modifications.

Oklahoma - S.B. 414 (H.B. 666) and S.B. 423 would have enacted the uniform disposition of unclaimed property act with modifications.

Tennessee - S.B. 158 (H.B. 179) would have provided for escheat to the State of unclaimed funds including utility deposits and cash dividends of any corporation.

West Virginia - H.B. 529, uniform act.

Pending

Michigan - H.B. 2414 amends the Michigan escheat code to extend it to utility refunds.

Uniform Commercial Code

This code deals generally with commercial transactions involving personal property. Since REA electric and telephone mortgages include such property in addition to real property, unless special provision is made, they must comply with the provisions relating to the form and filing or recordation of security instruments which are found in Article 9 of the Code. In several states, REA borrowers, usually acting jointly with other utilities, have sought to exclude utility mortgages from these provisions and to substitute therefor a single filing of the utility security instruments in the office of the Secretary of State, without refiling as required under the Uniform Commercial Code.

Up to the 1965 legislative sessions, 29 states and the District of Columbia have enacted the Uniform Commercial Code; 5 states have made special provision for utility security instruments, including those issued by REA borrowers.

In the following 1965 sessions, bills to enact the Uniform Commercial Code were introduced:

Enacted

NEW Alabama - S.B. 2 [Ch. 549, effective 1/1/67; includes amendment dealing with security instruments covering electric and telephone property; also H.B. 89 enacted at 3rd Extra Session as Act No. 30].

NEW Idaho - H.B. 11, approved 3/29/65, Ch. 267, directs the Legislative Council to make a complete study of the Uniform Commercial Code and prepare the code for introduction in the next legislative session.

Iowa - S.F. 227 (H.F. 401) [See S.F. 506, "Enacted," below.]

Kansas - S.B. 4 [Effective 12/31/65; see S.B. 5, "Enacted," below.]

Florida - S.B. 474

Minnesota - H.F. 162 (S.F. 86) [Ch. 811, effective 7/1/66; see H.F. 413, "Enacted," below.]

Nevada - S.B. 15 [Ch. 353, effective 3/1/67; see S.B. 247, "Enacted," below.]

North Carolina - H.B. 218 (S.B. 74), Ch. 700.

North Dakota - S.B. 60, approved 3/19/65, Ch. 296, (an amendment to this bill dealing with security instruments covering electric and telephone property was considered but not introduced).

South Carolina - H. 1010, approved by Governor 2/19/65, extends the time for report to the General Assembly on the Uniform Commercial Code.

Texas - S.B. 141 (H.B. 9).

Washington - S.B. 122, Ch. 157.

#### Failed

South Dakota - H.B. 819 would have extended the time for report by the interim commission created to investigate the Uniform Commercial Code to the 1967 session.

#### Pending

Delaware - S.B. 223 [Introduced 11/30/65].

NEW

South Carolina - H. 1399, carried over to 1966 session (previously erroneously reported as "Failed").

In the following 1965 sessions, bills to amend or to offset the filing provisions of the Uniform Commercial Code for utility security instruments, and to amend the Code in other respects were introduced:

#### Enacted

Arkansas - H.B. 649, approved 3/19/65, Act 375, and effective 6/9/65, enacts the "Transmitting Utility Act," superseding the provisions of article 9 of the Arkansas Uniform Commercial Code (Act 185 of 1961) to provide for the filing of utility (including electric and telephone) financing statements (security documents) in the office of the Secretary of State, to be effective until terminated without refiling. [Sponsored by Arkansas statewide.]

California - S.B. 684, approved 7/15/65, Ch. 1379, amends Sec. 19402 dealing with financing statements, and other provisions of the Code.

NEW

Colorado - S.B. 104, Laws 1965, p. 1471 (previously erroneously reported as "Failed"). [Statewide association sponsored appropriate amendment of article 9.]



Indiana - S.B. 117, approved and effective 2/11/65 as Ch. 9, provides that mortgages executed by a public utility as defined in the Public Service Commission Act, may include real, personal and mixed property, and after-acquired property, and may be recorded in the manner for recording real estate mortgages in the counties where the property is located, and need not otherwise be filed or refiled. [Amendment covering all REA security instruments was considered too late for inclusion at this session.]

Iowa - S.F. 506, approved by Governor 5/3/65 and effective 7/5/66, provides that security interests of transmitting utilities, including electric and telephone, shall be filed in office of Secretary of State if filing is required under Uniform Commercial Code and shall be effective until termination without refileing or filing a continuation statement; also provides for recording mortgages or deeds of trust of real estate of a transmitting utility, which may cover after-acquired property, in office of recorder of each county where property is located. [Sponsored by Iowa Statewide.]

Kansas - S.B. 5, effective 1/2/66, provides that mortgages of real property or of real and personal property or security interests in fixtures alone of public utilities, as defined in K.S.A. 66-180, shall be recorded in the county register of deeds offices where the property is located; also provides for filing in office of Secretary of State if the instrument includes personal property; gives effect to provision for after-acquired property; and states no other filing or recording shall be necessary.

Minnesota - H.F. 413, approved 6/30/65, Ch. 813; and effective 6/30/66, provides for the filing of financing statements of electric, telephone and gas utilities using or having the right to use public roads and streets with the Secretary of State notwithstanding the provisions of the Uniform Commercial Code; and provides that the financing statement shall be effective until 5 years after the maturity date in case of personal property, and 15 years after the maturity date in case of fixtures annexed to real property, or if no maturity date is specified, until released or terminated.

Missouri - S.B. 241 (H.B. 467), approved 6/23/65, effective 7/1/65, simultaneously with the effective date of the Code, amends the Code in several respects including revision of the provisions of section 9-302 dealing with public utility financing statements and security interests. [Statewide-sponsored amendment to include electric cooperatives was adopted.]

Montana - S.B. 54, approved by Governor and effective 2/26/65 (Ch. 76, 1965 Session Laws), enacted special provision for filing of security interests and for financing statement of a "Transmitting Utility" (includes electric and telephone companies subject to the jurisdiction of a state or federal regulatory body), notwithstanding the provisions of Article 9 of the Uniform Commercial Code which would otherwise be applicable. [Amendments to cover electric and telephone cooperatives were developed too late for submission.]

Nebraska - L.B. 673, approved and effective 6/30/65, and operative on 9/1/65, provides for recordation of security interests of electric and telephone systems covering real and/or personal property, including fixtures, in the county records and for the filing thereof or of a financing statement with the Secretary of State, to remain effective without refiling; provides for filing of security instruments covering personal property alone with Secretary of State as a central filing under the Uniform Commercial Code. [Amendment sponsored by Statewide association assured coverage of public and cooperative electric and telephone systems.]

Nevada - S.B. 247, effective on same date as S.B. 15 (3/1/67) [see "Enacted," above], amends the public utilities act by providing that mortgages of public utilities as defined in NRS 704.020 which cover real and/or personal property shall be recorded in the county records where property is located, and in the office of the Secretary of State when the mortgage covers personal property including fixtures, without refiling; provides for coverage of lien on after-acquired fixtures; provides for filing of financing statement if security interest is in goods (personal property) in Secretary of State's office.

New Mexico - S.B. 148, Ch. 112, adds a new section to the public utility law providing for the filing of public utility security instruments covering real or personal property in more than one county in the office of the Secretary of State, and for the refiling with the Secretary of State of such instruments which were previously recorded in the county clerks' offices, with the same effect as filing in accordance with sections 9-401 through 9-407 of the 1961 Uniform Commercial Code.

Oklahoma - H.B. 813, amends Art. 9, Part 4 (increases filing fees), approved and effective 7/5/65.

Tennessee - S.B. 784 (H.B. 589), enacted as Ch. 361, amends Art. 9, Sec. 403, relative to marking date of, and fee for, filing.

Wisconsin - S.B. 114, effective 7/1/65, Ch. 334, amends Uniform Commercial Code to correct terminology relating to secured transactions.

Wyoming - S.B. 155, enacted as Ch. 124, provides for filing of security interests in personal property or fixtures of transmitting utilities with the Secretary of State, without the necessity of real estate description and without refiling, notwithstanding the provisions of the Uniform Commercial Code.



## Failed

Arkansas - S.B. 43, would have generally amended the 1961 Code, including article 9.

Indiana - S.B. 430, would have repealed the Uniform Commercial Code enacted in 1963.

Maine - H.P. 816 (L.D. 1107) and H.P. 962 would have amended the Maine Code in various respects.

Missouri - H.B. 394 (S.B. 184), would have repealed the Uniform Commercial Code enacted in 1963, effective 7/1/65.

Nebraska - L.B. 430, as amended would have provided for the filing of financing statements covering personal property and fixtures of a transmitting utility with the Secretary of State, to remain effective without the refiling required by the Uniform Commercial Code. [Amendment was sponsored by Statewide association; superseded by L.B. 673, see "Enacted," above.]

New Mexico - S.B. 212 would have waived the necessity for acknowledgment of written instruments of any filing or recording permitted or required under the 1961 Uniform Commercial Code.

- S.B. 213 would have amended the 1961 Uniform Commercial Code, including the provisions of article 9.

North Carolina - S.B. 434 would have amended the Uniform Commercial Code as enacted (Ch. 700, Laws of 1965) to conform to the section numbering of the National Uniform Commercial Code.

Tennessee - S.B. 20 would have amended Sec. 9-302 so as to exempt security instruments executed by a railroad or a public utility corporation. [Bill was withdrawn while Statewide association was considering amendment to include security instruments of electric and telephone cooperatives.]

- S.B. 766 (H.B. 931) would have repealed Sec. 9-106.

- S.B. 767 (H.B. 929) would have repealed the Code in its entirety.

Utah - H.B. 221 would have provided for the filing of transmitting utility security interests in personal property or fixtures in the office of the Secretary of State without description of real estate, notwithstanding the 1965 Uniform Commercial Code provisions.

## Miscellaneous

### Enacted

North Carolina - S.B. 369, enacted as Ch. 988, enacts the Rural Development Authority Act.



Oklahoma - H.J.Res. 553, approved 6/29/65, concurs in the establishment of an Ozarks Regional Development Commission and provides for participation therein (in connection with the national Economic Development and Public Works Act of 1965).

Wisconsin - S.B. 28, approved 6/8/65 (Ch. 90), enacts the Industrial Development Law authorizing the establishment of industrial development agencies by cities or counties with broad powers to assist in industrial development.

Pending

Michigan - H.B. 2329, H.B. 2856 and S.B. 558 amend the law governing the mediation of labor disputes involving public utilities to provide for compulsory arbitration.

- S.B. 619 amends the law governing labor disputes involving public utilities by eliminating the criminal penalties, defining violations of the act as unfair labor practices and establishing court remedies.

Pennsylvania - H.B. 2181 provides for court appointment of persons to act as policemen for public utilities with the powers of constables upon and in the vicinity of public utility property.

NEW



#### IV. TELEPHONE

##### Enabling Laws; Amendments

###### Enacted

Alabama - H.B. 354, approved and effective 6/28/65, Act No. 53, repeals Act No. 67 of 1963, authorizing municipal corporations in Cullman County to establish, purchase and operate telephone systems to furnish telephone service to their residents and surrounding territory.

North Carolina - S.B. 96 (H.B. 256), enacted as Ch. 345, amends the telephone membership corporation act by adding provisions for dissolution of corporations created thereunder. [See also "Taxation, Enacted," below.]

##### Commission Regulation

[See also bills reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION," above.]

###### Enacted

Florida - C.S.B. 641 (H.B. 1173) amends the Public Utility Law by adding the radio common carriers act providing for regulation by the Public Utilities Commission of radio common carriers licensed by FCC.

New Mexico - S.B. 230 (reported under TERRITORIAL PROTECTION AND COMMISSION REGULATION, Enacted," above).

###### Failed

Alabama - S.B. 29 would have prohibited telephone companies operating within and under the laws and regulations of the State from making connection or disconnection charge when no actual work or installation or removal of facilities is done on the premises; would have been enforced by the Public Service Commission.

California - A.B. 255 would have amended section 766 of the Public Utilities Code, which authorizes the Public Utilities Commission to order interconnection of telephone companies and to establish division of interconnection costs or joint rates, tolls or charges, to authorize the Commission to participate in negotiations as consumer representative and to approve any settlements.

Indiana - S.B. 152 (H.B. 1128), passed Senate 39 to 1, passed House 59 to 19, pocket-vetoed by Governor, would have amended Rural Telephone Cooperative Act to eliminate requirement that the Public Service Commission approve obligations, mortgages, deeds of trust, pledges or encumbrances of cooperative property.



Iowa - H.F. 123 would have prohibited unreasonable difference in charges between localities and classes of service, or greater charges for shorter than for longer distance calls.

Montana - S.B. 229 (reported under TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed").

Nebraska - L.B. 825, withdrawn 4/28/65, would have authorized the State Railway Commission to order a telephone company to extend service to an unserved area.

New York - S. 811 would have amended Public Service Law to prohibit charges for telephone extensions beyond those required to reimburse the telephone company for maintenance and depreciation of the extension.

- S. 812 would have amended Public Service Law to authorize the installation of privately-owned telephones within a person's residence or place of business except where the facilities of the telephone company are adversely affected.

- S. 1552 would have amended Public Service Law to authorize a telephone subscriber to install specified telephone equipment in substitution for or in conjunction with facilities furnished by the telephone company.

- S. 1553 would have amended the Public Service Law to prohibit telephone companies to charge for extensions or other equipment exceeding a reasonable installation charge plus the cost of the equipment and its maintenance.

- A. 5135 would have amended Public Service Law to require telephone companies to place a meter on subscriber's premises recording the destination of and time consumed by each call, and to furnish meter readings, both without additional charge to the subscriber.

Oklahoma - H.B. 885 would have directed the Corporation Commission to require telephone companies to maintain a business office in each county served.

#### Pending

Michigan - S.B. 233 amends law with respect to reports made to the Commission by telephone companies.

#### Taxation

##### Enacted

##### NEW

Idaho - S.B. 246, enacted as Ch. 312, approved 3/29/65, effective 12/31/65, amends Title 63, Section 63-101, by classing "operating property" to include telephone property under the jurisdiction of the Public Utilities Commission, and requiring its assessment by the State Tax Commission at 40% of its full cash value.

Illinois - H.B. 1179 (S.B. 782), approved 7/16/65, amends the Message Tax Act to increase from 3 to 4% the tax on intrastate gross receipts from the business of transmitting messages.

Maine - H.P. 1152 (L.D. 1584), enacted as Ch. 362, subjects telephone and telegraph service to the 4% state sales tax.

North Carolina - S.B. 96 (H.B. 256), enacted as Ch. 345, amends the telephone membership corporation act to retain the status of corporations formed thereunder as public agencies of the state, and to provide that their property shall be subject to same taxes and assessments as property owned by a county or municipality. [See also "Enabling Laws; Amendments, Enacted," above.]

North Dakota - H.B. 533, approved 2/25/65 and effective on 1/1/66, amends the law imposing a gross receipts tax on rural telephone systems, cooperative or commercial, serving rural areas and cities and villages having population of 500 or less by eliminating from gross receipts switching charges and tolls paid to other companies; and by changing the basis for the tax from telephone instruments to stations, and by adjusting the rates to 1/2 of 1% of the gross receipts on companies maintaining an average of 1 1/4 telephone stations or less per mile of telephone line, to 1% where density is between 1 1/4 and 1 3/4 stations per mile, to 1 1/2% where density is between 1 3/4 and 2 1/4 stations per mile, to 2% where density is over 2 1/4 stations per mile, but not less than 50¢ per station.

South Dakota - S.B. 27 amends the laws relating to the taxation of telephone companies, establishing two alternative schedules for gross receipts tax on companies, including cooperatives, whose annual gross receipts are less than \$1 million, based on density per mile of line and volume of annual gross revenues, and revising administrative procedures.

#### Failed

California - S.B. 1222 would have enacted Communications Sales and Use Tax Law, imposing gross receipts tax of unspecified percentage on gross receipts from retail sales of telephone or telegraph service on and after 9/1/65, to be collected from the consumer.

- S.Const.Amend. 17 would have imposed an annual tax of 1% of local and toll service revenues from intrastate service in lieu of all other charges, tolls, fees or taxes imposed by any municipal or other political subdivision of the state for or upon the construction, maintenance, operation or use of facilities, or on income, receipts or revenues, other than taxes imposed uniformly upon public utility companies, and advalorem taxes on rights-of-way.

Maine - H.P. 762 would have imposed excise tax on vehicles leased as well as those owned by telephone and telegraph companies.

Montana - S.B. 229 (reported under "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed," above).

Vermont - H. 69 would have increased the telephone gross receipts tax from 4 1/4 to 6% (32 VSA Sec. 8521) and the step rates of the alternative gross receipts tax (32 VSA Sec. 8522).

#### Pending

New Jersey - A. 506 provides for assessment of telephone or telegraph company property by the Director of the Division of Taxation of the State Department of Taxation and Finance commencing in 1966.

Pennsylvania - H.B. 850 exempts from the sales and use tax intrastate telephone and telegraph service.

#### Federal Excise Tax

##### Enacted

Arkansas - H.C.R. 66 urges Congress to exempt telephone charges for domestic or household use.

##### Pending

Alaska - H.J.Res. 42 calls for elimination of excise tax on telephone calls to and from Alaska.

Michigan - S.C.Res. 59, memorializes the Congress to remove the Federal excise tax on telephone service.

Wisconsin - A.J.Res. 81 urges Congress to exempt from the Federal excise tax telephone charges for domestic use.

#### Rates and Service

##### Enacted

Alaska - S.J.Res. 10 urges Department of Air Force to complete negotiations with AT&T to reduce Alaska interstate telephone rates over the Alaska Communications System.



Failed

California - A.B. 1285 would have added Sec. 463 to the Public Utility Code to require substantially equal service for substantially equal charges to all ratepayers in the same community or marketing area without regard to service area bounding lines.

- A. 1146 would have added Sec. 7097 to the Public Utility Code requiring telephone companies which issue telephone directories to place an asterisk beside the name of persons desiring not to be disturbed by telephone subscriptions or solicitations.

Idaho - H.B. 97 would have made telephone companies liable for damages for want of care in the transmittal of messages or in the publication of a directory.

Ohio - H.Res. 29 requests study of telephone service rendered, tolls charged, and possibility of extended area service to all areas of Ohio.

Oklahoma - H.B. 1054 would have required telephone companies to employ not less than two operators between 10 P.M. and 6 A.M.

Misuse of Telephone Service

Enacted

Arizona - H.B. 234, enacted as Ch. 65 without Governor's signature, effective 4/12/65, makes it a misdemeanor to obtain telecommunication (telephone, telegraph, radio, etc.) service by fraud or to make and distribute devices for this purpose.

Arkansas - S.B. 72 (H.B. 202), approved as Act No. 58, and effective 2/12/65, makes it misdemeanor to obtain telecommunications service by fraud.

California - S.B. 1118, enacted as Ch. 956, approved 7/9/65, amends the Penal Code relative to fraudulent use of telephone or telegraph service.

Colorado - H.B. 1192 makes it a misdemeanor to avoid payment for or conceal the existence, place of origin or destination of, telecommunication service or to offer or sell devices for such purpose.

Florida - S.B. 452 makes it unlawful to avoid payment for telephone service by fraud or to make, possess, sell or offer any device for such purpose.

NEW

Idaho - S.B. 256, approved and effective 3/29/65, Ch. 298, makes it a misdemeanor to use lewd, obscene or profane language or make certain false statements on telephone.

Maryland - S.B. 460, approved by Governor 4/8/65, Ch. 199, and effective 6/1/65, makes it a misdemeanor to make, sell or offer any device to obtain telephone or telegraph services by fraud, or to conceal the existence, place of origin or destination of any telephone or telegraph message.

Nevada - A.B. 126, enacted as Ch. 182, makes it unlawful to obtain telephone service by fraud.

North Carolina - S.B. 391 and S.B. 392, enacted as Ch. 836 and 837 respectively, prohibit the use of profane, threatening or indecent language over a telephone.

Ohio - S.B. 109, approved 4/20/65 and effective 7/20/65, amends laws dealing with obtaining telephone service by fraud by prohibiting use of revoked credit card or terminated telephone number, or by utilizing tampered-with equipment.

- S.B. 110, approved 4/20/65 and effective 7/20/65, enacts a new section imposing a fine for making, possessing or transferring a device designed for theft of telephone service.

Oklahoma - S.B. 291, approved and effective 5/24/65, makes it unlawful to obtain telecommunications service by fraud.

South Carolina - S. 136, approved 5/13/65, makes it unlawful willfully or maliciously to damage or break into telephone equipment.

South Dakota - H.B. 775 makes it unlawful to make, sell or possess device to be used for obtaining telecommunications services fraudulently.

- H. 1467, approved 6/8/65, makes it unlawful to avoid lawful telecommunications charges.

- H. 1483, approved 6/8/65, makes it unlawful to make or possess device to conceal from supplier of telecommunications service the existence, origin or destination of any telecommunication.

Tennessee - S.B. 334 (H.B. 424), enacted as Ch. 124, makes it unlawful for the purpose of avoiding payment to conceal the existence, origin or destination of any telecommunication.

- S.B. 335 (H.B. 425), enacted as Ch. 84, makes it unlawful to make, possess or transfer a device for the theft of telecommunication service.

Wisconsin - A.B. 99, approved 5/18/65 (Ch. 56), amends the law requiring the yielding of party line for an emergency.

Failed

Alabama - H.B. 728 would have made it a crime to defraud or interfere with telecommunications service.

California - A.B. 3302, would have amended the Penal Code to authorize interception and use of telegraphers and telephonic communications on court authorization; would have become effective after enactment of Federal legislation.

Florida - H.B. 96 would have made it a misdemeanor to use eavesdropping or recording equipment to overhear or record oral conversations of another without his knowledge or consent.

Illinois - H.B. 270, H.B. 451 would have authorized interception of telephone messages on court order.

- H.B. 272, H.B. 454, H.B. 273 and H.B. 453 would have amended laws prohibiting interference with telephone facilities and service or taking wire news dispatches, except actions taken pursuant to court order.

Maryland - H.B. 1197 and S.B. 1539 would have amended the law concerning fraud in the use of long distance telephone service to include tampering with facilities, prearranged schemes, false impersonation or fraudulent schemes; and would have increased the penalties.

Missouri - H.B. 321 would have made it unlawful to solicit sales or promote services by telephone unless requested by person called.

New York - A. 2787 would have made a telephone eavesdropper civilly liable for treble the amount of damages resulting therefrom in addition to criminal penalties.

- A. 2868 (previously reported erroneously as A. 2788) would have amended penal law to impose penalties for use of telephone for gambling and requires the removal of telephone service in such cases.

Nevada - S.B. 211 would have amended the laws prohibiting the use of listening devices to overhear, listen to, monitor or record any conversation engaged in by others.

West Virginia - H.B. 539 would have made it unlawful to make, sell, possess, or transfer device for fraudulently obtaining telephone or telegraph service.

Wyoming - H.B. 246 would have made it unlawful to make, possess or transfer devices to obtain telecommunications service by fraud.



Pending

Alaska - H.B. 134, carried over to 1966 session, makes it a misdemeanor to use indecent language on a telephone, or to molest others by anonymous calls.

Delaware - H.B. 297 makes it a misdemeanor to make or possess, or sell or offer devices for the unlawful taking of telecommunications service, or the concealment of the existence, place of origin or destination of any telecommunication.

NEW - H.B. 378 prohibits the malicious obstruction of telephone calls.

NEW - H.B. 379 prohibits disturbing of privacy by use of telephone facilities or equipment.

Michigan - H.B. 2577 prohibits the use of telephones for soliciting business, requesting contributions, conducting polls, etc.

Pennsylvania - S.B. 949 makes unlawful making, possessing or transferring devices for the theft of telecommunications service.

- H.B. 1018 increases the penalty for malicious use of telephone for indecent purposes.

NEW - H.B. 2195 prohibits malicious use of telephones.

Wisconsin - S.B. 185 makes it unlawful to obtain telecommunication service by fraudulent means.

Miscellaneous

Enacted

New Mexico - H.B. 445, enacted as Ch. 225, amends the 1963 act dealing with telephone services and facilities for the State Capitol to extend it to state offices throughout the state.

Oklahoma - S.J.Res. 30, approved 5/24/65, authorizes the State Board of Public Affairs to negotiate with Southwestern Bell Telephone Company for a Centrex System to serve all state offices in Oklahoma City and vicinity.

Texas - S.B. 512 (H.B. 1086) amends S.B. 74, the 1965 Texas Engineering Practice Act (see "ELECTRIFICATION AND TELEPHONE, Contractors and Professional Registration, Enacted," above) to exempt telephone engineering.

Pending

Michigan - H.B. 2684 requires the State Highway Department to construct telephone communication lines with telephone booths no further than two miles apart on limited-access highways providing service for stranded motorists to the nearest police station.

Wisconsin - S.J.Res. 86 recommends a study of the feasibility of legislation instituting an emergency telephone system such as the California one number dialing system ("call diverter").










UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
Washington, D. C.

1966 STATE LEGISLATION AFFECTING REA PROGRAMS  
November 1, 1966

Coverage. Fifteen state legislatures convened in regular general sessions in 1965; eight in regular budget sessions, usually limited to budgetary and fiscal matters. The 1965 sessions of the Delaware and Wisconsin legislatures carried over into 1966 and had not adjourned as of the date of this report. The 1966 sessions of the Delaware, Michigan, New Jersey and Pennsylvania legislatures have not yet adjourned. In addition to the regular general and budget sessions, nineteen states convened special sessions in 1966, a few of which have not yet adjourned. In all, 38 of 50 states had some legislative activity in 1966.

This report lists legislative proposals dealing with the subjects listed below. Since it does not cover bills having general application, the report is by no means exhaustive of all legislation affecting rural electrification and rural telephone systems.

  
Charles U. Samenow, Consultant

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THE UNIVERSITY OF CHICAGO  
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[illegible]

Fig. 1. The effect of the concentration of the solution of the initiator on the rate of polymerization of  $\alpha$ -methylstyrene in the presence of  $\text{Cu}^{2+}$  ions. The concentration of the monomer was 0.05 mole/l. The concentration of the initiator was 0.001 mole/l. The temperature was 50°C. The concentration of the  $\text{Cu}^{2+}$  ions was 0.001 mole/l. The concentration of the  $\text{Cu}^{2+}$  ions was 0.001 mole/l. The concentration of the  $\text{Cu}^{2+}$  ions was 0.001 mole/l.

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in  $\mu\text{g mL}^{-1}$ .

1. *Phragmites australis* (Cav.) Trin. ex Steud.

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015.

## I. TERRITORIAL PROTECTION AND COMMISSION REGULATION

Enacted

Georgia - S.B. 182, enacted as Act 513, provides procedure for annexation of areas contiguous to incorporated municipalities with population of 200 or more persons, requires annexing municipality to make plans to extend each major municipal service into annexed areas, and, in effect, authorizes the annexing municipality to require residents of newly annexed areas to use city-owned utilities when they are available. [Other bills, H.B. 419 and H.B. 420, providing for extension of boundaries of municipalities having population of less than 5,000, or 5,000 or more, respectively, also provided that annexed areas receive all municipal services, and that utility services provided by others be taken over by the annexing municipalities with compensation determined by appraisal and arbitration procedures; both failed.]

South Dakota - H.B. 746 amends law dealing with city planning, to provide that comprehensive plans of municipalities may extend three miles in all directions from the municipal limits. Other sections prohibit construction of utilities within the municipality or within three miles of its corporate limits unless the location and extent thereof are submitted to and approved by the planning commission; amended prior to passage to negative implied repeal of Ch. 254, Sess. Laws 1965 (territorial integrity law; amendment sponsored by SDREA).

Wisconsin - A.B. 994, enacted as Ch. 509, effective 1/14/66, amends Sec. 66.069(2)(c), authorizes villages or cities to fix the natural and geographical limits of municipal utility service in unincorporated areas, and to limit the obligation to serve to the delineated areas; also adds Sec. 66.069(2)(d) providing that municipal utility service outside corporate limits to property used for public, educational, industrial or eleemosynary purposes pursuant to agreement shall be limited to such areas unless changed by agreement. [Does not affect the 1961 territorial protection statute.]

Failed

Alaska - H.B. 138 (Committee Substitute bill passed House in 1965, carried over from 1965 session) would have amended the Public Service Commission Act, by adding a "grandfather clause" to the certificate of convenience and necessity section, and a provision permitting the Commission to condition a certificate upon the applicant serving an area not included in the original application; revising rate regulation provision to permit municipal utilities to bill a separate surcharge for service within the municipal limits; eliminating present exemption for utilities with gross annual revenues under \$100,000; and including municipal utilities within the definition of "public utility" but exempting them if no other regulated utility provides a like utility service to consumers situated "within an integrated economic area." [This is an Administration bill supported by the electric cooperatives.]

- S.B. 180 (substantially same as C.S.H.B. 138, carried over from 1965 session) would have generally amended the Public Service Commission Act, but adds provision for regulation of public utilities by the first responsible unit of local government (city or borough) whose geographical boundaries encompass all the competing utility systems. Where the system overlaps local government boundaries or where the local government relinquishes its jurisdiction, the State commission assumes regulatory function.

- S.B. 191 (carried over from 1965 session) would have provided for local government regulation of public utilities, and would have established a Public Utility Advisory Board composed of experts on utility regulation to conduct hearings for local governments and assist them in development of regulations and rate structures, and to conduct investigations and hearings for and advise the State commission on rates and other matters.

- H.B. 493 would have amended Sec. 42.05.620 of the Public Service Commission Law by prohibiting municipal utilities from furnishing service in an area certificated to other public utilities except within the municipal boundaries or to municipal facilities.

- S.B. 241 would have repealed the Alaska Public Service Commission Act.

- S.B. 43 (carried over from 1965 session) would have amended Public Service Act to delete the exemption of municipally-owned and operated utilities, and to include them specifically in the definition of "public utility."

Virginia - S.B. 243 would have required municipal annexation ordinances to include a statement that the city or town will grant an unrestricted franchise to any public service corporation operating in the area to be annexed under a certificate issued by the State Corporation Commission.



## II. ELECTRIFICATION

### Enabling Laws; Amendments

#### Enacted

New Mexico - See H.B. 27, "Taxation, Enacted," below.

#### Failed

Alaska - H.B. 15 (carried over from 1965 session) would have amended Sec. 29.50.050 to authorize municipal corporations to issue revenue bonds for public works, including electric power and light plants and distribution facilities, without an election; deletes utility districts.

- H.B. 435 would have enacted the Alaska Nonprofit Corporation Act with specific prohibition against the organization of electric and telephone and other cooperatives thereunder.

South Carolina - See H. 2175 under "Taxation, Failed," below.

South Dakota - S.J.Res. 1 would have urged the Legislative Research Council to study and draft legislation authorizing rural people to form public corporations for distributing, transmitting and generating electric power and energy, empowered to issue revenue bonds, exercise eminent domain and pay taxes in the same manner as rural electric cooperatives.

- H.B. 770 would have empowered municipalities and municipal utility boards, individually or jointly with others engaged in the sale of electric current, to advertise for the purpose of encouraging the consumption and sale of energy.

### Commission Regulation

#### Enacted

Virginia - S.B. 350, enacted as Ch. 552, directs the State Corporation Commission not to permit and prohibits rebates or allowances outside of filed rate schedules as inducement to use any utility service.

#### Failed

Alaska - H.B. 138, S.B. 180, S.B. 43, S.B. 191, H.B. 493, S.B. 241 (see "TERRITORIAL PROTECTION AND COMMISSION REGULATION, Failed," above).

Mississippi - H.B. 1053 would have required private power companies to charge their rural customers competitive rates as if served by electric power association in contiguous areas.

New York - A. 4666 (S. 1633) would have created a temporary state commission to investigate gas and electric rates in the City of New York which are higher than in neighboring areas and states and to recommend remedial regulatory legislation.

- A. 3442 would have created temporary state commission to study electric and gas rates in Rochester which are higher than in neighboring areas and states, why tax cuts have not been passed on to consumers, and to recommend remedial regulatory legislation.

- A.Res. 63 would have created Joint Legislative Committee on Distribution Services to study need for legislation amending the public service law concerning the distribution and use of electric and gas service in cities of more than one million population.

- A. 4451 (S. 4118) would have prohibited an electric or gas corporation from refusing or discontinuing service at a location unless the customer is delinquent in payment for service at the same location.

- A. 587, A. 4685, (S. 3017) would have prohibited electric or gas corporations from requiring as security deposit more than the estimated cost of two months of actual use of such service.

- A. 1431, A. 1936, S. 1380, S. 3211, S. 3067, and S. 3443, would have required gas or electrical corporations to post notice of intention to discontinue service to multiple dwellings.

- A. 2188 (S. 2340) would have prohibited electrical or gas corporation from offering inducement for conversion to electric or gas service.

- A. 3569 (S. 867) would have authorized electric or gas corporations or municipalities to give special rates to employees and officers.

#### Pending

Michigan - S.B. 705 would amend Sec. 460.6, Comp. Laws, by deleting exemption of municipally-owned utilities from jurisdiction of the Public Service Commission.

New Jersey - A. 384 amends Sec. 48.3-4, Rev. Stats., prohibiting preferential rates by public utilities, to permit gas and electric utilities to supply their employees at reduced rates.

#### Taxation

##### Enacted

Kentucky - H.B. 340 amends the law relating to payments in lieu of taxes by municipal electric plants.

Mississippi - S.B. 1693, approved and effective 4/11/66, amends Sec. 9700, Miss. Code 1942, exempting electric cooperative property from taxation, by removing the exemption from municipal ad valorem taxes on transmission and distribution lines owned by cooperatives which do not purchase the electricity which is resold in the municipality from an agency of the United States. [Reported sponsored by the electric cooperatives.]



New Jersey - S. 13, approved and effective 2/16/66 as Ch. 5, eliminates the expiration date and continues in effect the gross receipts tax on franchises of electric and other corporations using public lands and highways.

New Mexico - H.B. 27, enacted as Ch. 58, amends Sec. 28 of the Rural Electric Cooperative Act (N.M. Stats. Ann., Sec. 45-4-28) so as to subject electric cooperatives to the Gross Receipts and Compensating Tax Acts.

#### Failed

Arizona - S.B. 84 (H.B. 156), vetoed by Governor, would have amended the gross sales or income tax law to clarify the application of the 1% tax to the producing and furnishing of electric power to consumers.

Louisiana - H.B. 907 would have exempted from the 2% tax on gross receipts from sale of electricity, energy sold for direct use in manufacturing products by the electrolytic process.

Mississippi - H.B. 144 would have repealed in its entirety Sec. 9700 which exempts electric cooperatives from property and excise taxes.

- H.B. 861 would have amended Sec. 10116, Rev. Code, Miss., by eliminating the exemption from sales tax from property or services sold to electric cooperatives for use in the construction, maintenance and operation of their generating or distribution systems.

New York - A. 1715 would have exempted from the sales and use tax electricity, gas, etc., used in furnishing any service exempt from such tax.

- A. 2647 (S. 1444) would have exempted from the sales and use tax tangible personal property used for production of electricity, gas, etc.

- A. 5644 would have exempted from the sales and use tax electricity, gas and other fuels sold for use directly and exclusively for heating, lighting, cooking or refrigeration.

South Carolina - H. 2175, introduced 2/24/66, would have amended the Rural Electric Cooperative Act, Sec. 12-1013, S.Ca. Code, to delete the exemption of electric cooperatives from property taxes; repealed laws exempting rural lines of electric cooperatives and power companies from property taxes; defined electric cooperatives and municipalities as to property outside of municipal limits as "electric utilities" for the purpose of taxation; made electric cooperative property, other than transmission and distribution lines, generating plants, and associated transformers, meters and substation subject to general assessment and taxation procedures; provided for assessment of the excepted property by the State Tax Commission subject to adjustment by application of an adjustment factor determined by revenue per mile of transmission and distribution lines, excluding G&T system revenues. [Sponsored by State Association; and recommended by State Tax Study Commission in its February 1966 report to the 1966 General Assembly, which also recommended that electric cooperatives be subject to power tax on sales and to franchise tax on gross receipts and tax on net margins.]



Pending

Pennsylvania - H.B. 10 amends the Tax Act of 1963 for Education by exempting sales or use of electricity at retail for use in dwelling houses.

Power Supply and Electric Lines

Enacted

Alaska - S.Res. 1 requests REA to take action to establish electrical generating facilities at Port Lions and Old Harbor, Alaska, for domestic needs and to attract fish processing plants.

- S.Res. 7 requests REA to confer with Haines Light and Power Company on feasibility of extending electric service to Mud Bay Road area near Haines, Alaska, for domestic and industrial purposes.

- H.J.Res. 45, re construction of Rampart Dam.

- H.J.Res. 59 urges provision of fiscal 1967 funds for the Snettisham Hydroelectric Project.

Kentucky - S.B. 193 amends the law authorizing electric and gas utilities to utilize state and county road rights-of-way, to include public ways or dedicated roads outside of cities.

- H.Res. 104 requests the Corps of Engineers to begin construction of the authorized hydro-electric dam on the Rock Castle River.

- S.Res. 41 requests the President to call a National Energy Conference to consider the problem of fuel resources and the role of coal.

Louisiana - S.B. 70, enacted as Act 351, authorizes City of Lafayette to relocate existing electric system by placing it underground and to levy special assessments on abutting real property.

New Jersey - A. 281, enacted as Ch. 261, approved and effective 9/6/66, amends P.L. 1948, Ch. 249, relating to precautions to be taken in the proximity of high voltage (in excess of 750 volts) electric lines.

South Carolina - S. 790, approved and effective 6/8/66, authorized the sale or disposition of the properties of Seneca Light and Water Plant inundated by the proposed Keowee-Toxaway Project of Duke Power Company without submission to electorate.

Wisconsin - A.J.Res. 90 directs the joint legislative counsel to conduct a study of state assistance to municipalities for the taking over for flood control purposes of dams on the Willow and Apple Rivers proposed to be abandoned by Northern States Power Company.

Failed

Colorado - H.J.Res. 1019 would have endorsed the revision of H.R. 4671 in the U.S. Congress (authorizing the Lower Colorado River Basin Project), as recommended by the Colorado Water Conservation Board to protect the interests of Colorado.

Kentucky - H.B. 171 would have included rural electric cooperative lines in the statutory provision that two years uncontested maintenance thereof shall ripen into legal title to such easements.

- H.B. 443 would have provided for reimbursement by the Department of Highways to municipalities for relocation of municipal utility facilities occasioned by Federally-financed highway construction or by work on a road or highway which was not part of the state highway system when the facilities were installed.

Maryland - H.B. 306, failed in committee, would have amended the Public Services Companies law to prohibit the construction of overhead electric transmission lines except where underground construction is found by the Public Service Commission not to be feasible from an engineering standpoint.

- H.B. 544 would have authorized chartered counties to construct and maintain an underground conduit system for wires or cables along public highways in congested areas, to rent same to recover cost; and to provide for cost of removing overhead wires or cables and installing them in the conduit system.

- H.B. 586 would have provided for municipal corporations, same authority as in H.B. 544.

- H.B. 873 would have amended the municipal corporation code to provide for special taxing districts in municipalities for establishment and maintenance of street and area lighting.

Mississippi - H.B. 158 (S.B. 1881) would have made it an offense to erect or maintain an antenna which by falling or by movement could come within 8 feet of an overhead high-voltage line (750-161,000 volts) or 15 feet of an extra-high voltage line (over 161,000 volts); provided for abatement as a nuisance in a court of equity; and required appropriate safeguards in repairing, moving, etc.

- H.B. 166 (S.B. 1882) would have prescribed precautions to be taken to avoid contact with high voltage and extra-high voltage transmission lines; prescribed penalties for violation; and made failure to observe precautions prima facie evidence of negligence.

- H.B. 167 would have made a misdemeanor unauthorized climbing on poles, towers or other structures supporting electric transmission or distribution wires.

- H.B. 943 would have extended power of port commissions or authorities to acquire, or operate and maintain electric and other systems in adjoining counties where authorized by the counties' boards of supervisors.

New York - A. 33 (S. 1429) and A. 34 (S. 1430) would have required emergency auxiliary power units in multiple dwellings of 6 stories or more.

- A. 291, would have required emergency battery-operated lighting equipment in buildings of 6 stories or more.

- A. 3124 (S. 2629) would have required emergency lighting equipment in all dwellings of 3 stories or more.

- A. 35, S. 76 (A. 307), A. 2489, A. 3009, S. 1428 and S. 3829, would have required emergency auxiliary power units in hospitals.



- A. 415 (S. 102) would have required auxiliary generators or other emergency power supply in buildings over 4 stories with electrically operated elevators.

- A. 1293 would have amended the state defense emergency act to require political subdivisions to provide auxiliary power units for enumerated essential services.

- A. 4783, A. 4917 would have required emergency auxiliary power units in places of public assembly.

- A. 5083 (S. 4063) would have required emergency auxiliary power units in all buildings in New York City with elevators.

- A. 3123 (S. 2628) would have required all water-works corporations in the state to maintain auxiliary power systems to operate pumps.

- A. 4992 (S. 3792), A. 4993 (S. 3793) and A. 4994 would require all water authorities to maintain standby auxiliary equipment.

- A. 4953 would have authorized Public Service Commission to require every electric corporation generating electricity to install and maintain emergency service generators.

- A. Res. 14 would have created Joint Legislative Committee to Investigate Electrical Power and Its Problems, to study the operations and practices of power companies, to determine the cause of the November 1965 blackout and recommend legislation to prevent recurrence.

- A. 698 would have created temporary state commission to study the causes of the November 1965 blackout and to study electric rates in New York.

- A. 3746 would have created a temporary state commission to formulate plans for acquisition and operation by the State of the properties of Consolidated Edison Company of New York.

- A. 3748 would have directed the Public Service Commission to acquire and operate the properties of the Consolidated Edison Company of New York.

- S. 3618 would have amended the conservation law to prohibit the operation of power generation facilities using any fuel capable of starting fires and adjacent to forest lands unless preventive measures are taken as required.

Vermont - H. 111 would have amended 30 VSA Sec. 211 designating the Public Service Board as agent for Vermont in the procurement of electric energy both within and without the State for resale to commercial, cooperative and public power distribution systems.

#### Pending

New Jersey - A.J.Res. 17 memorializes the President and Congress to enact pending legislation to provide for a comprehensive program of research and development of the use of underground transmission facilities for electrical power.

- S. 270 requires all hospitals after 9/1/66 to be equipped with auxiliary power unit for use in emergencies.



Electrical Licensing and/or Inspection; Professional Registration

Enacted

Louisiana - H.B. 30, enacted as Act 31, authorizes St. Charles Parish to adopt building, electrical, plumbing, housing and fire prevention codes.

- H.B. 520, enacted as Act 495, authorizes St. James Parish to enact building, electrical, plumbing, housing and fire prevention codes.

South Carolina - S. 796 provides for the issuance of construction permits in Calhoun County, and prohibits new electrical service connection unless building permit has been obtained.

- H. 2258 prohibits new retail electrical service connection to building in Kershaw unless building permit has been obtained.

Failed

Arizona - H.B. 213 would have regulated the practice of electric engineering and required a certificate of registration for practice.

- H.B. 268 would have required construction and alteration of all public buildings to conform to local or county codes, including electrical and plumbing.

Georgia - H.B. 179 would have adopted the National Electrical Code as the minimum standard for electrical work on and after July 1, 1966, and authorized the State Fire Marshall to establish a permit and inspection system.

- H.Res. 302-699 would have created an interim legislative committee to study the advisability and feasibility of establishing statewide electrical and plumbing codes.

Kentucky - H.B. 438 would have established the Kentucky Electrical Administrative Board with authority to prescribe minimum standards for electrical wiring embodying the National Electrical Code and the National Electrical Safety Code, to license electrical contractors and electricians, to require permits for electrical installations, and to inspect same.

- S.B. 114, vetoed by the Governor, would have amended the electrical inspection law to provide for certification of electrical inspectors by the Commissioner of Public Safety.

- H.B. 531 would have enacted a contractors' licensing law, including electrical contractors.

Louisiana - H.B. 29 would have authorized each parish to establish building, electrical, plumbing, housing and fire prevention codes.

New Mexico - H.B. 38 would have exempted from the contractors licensing law contractors licensed by the electrical or plumbing administrative boards.

Pending

Michigan - S.B. 901 amends the Electrical Administrative Act to expand the definition of "electrical wiring"; provide for a category of Master Electrician who may qualify for licensing as an Electrical Contractor; provide for representation on the Electrical Administrative Board of a representative of distributors of electrical apparatus and supplies; make provision for licensing and inspection in municipalities having their own licensing and inspection ordinances; waive examination for license for certain persons in places with less than 5,000 population; and provide for revocation or suspension of licenses.

New Jersey - S. 451 amends the laws regulating electrical contracting to exclude from the licensing requirement the installation, repair, etc., of conduits or other similar associated or accessory materials.

Atomic Energy; Radiation Control

Enacted

Kentucky - S.B. 298 substituted the Kentucky Science and Technology Commission for the Department of Economic Development, and the Kentucky Science and Advisory Council for the Advisory Committee on Nuclear Energy, to advise the Governor generally on science and technology, including the peaceful uses of atomic energy.

Maryland - H.B. 514, approved 4/14/66, effective 6/1/66 as Ch. 188, establishes an Advisory Commission on Atomic Energy, to advise the Governor and the State Government on the peaceful application of atomic energy.

Failed

New York - A. 1606 (S. 836) would have created a temporary state commission to make comprehensive study of dangers of atomic fallout.

- A. 3638 would have prohibited construction of an atomic plant for the manufacture of electricity in the City of New York.

South Dakota - S.B. 165 would have amended the radiation control law.

Pending

Michigan - S.B. 1068 enacts the Midwest Nuclear Compact providing for cooperation in nuclear development.

Miscellaneous

Enacted

South Carolina - H. 2092, approved and effective 3/11/66, authorized the sale of certain property of the Greenwood County Electric Power Commission if approved in a referendum on April 5, 1966.

- S. 735, approved 5/14/66, proposes a constitutional amendment to provide that funds realized by Greenwood County from the sale of its electric properties shall be held intact as an investment fund.



### III. ELECTRIFICATION AND TELEPHONE

#### Enabling Laws; Amendments

##### Enacted

New York - A. 5323 (S. 4477), enacted as Ch. 664, amends the general cooperative corporations law so as to make it independent of the stock corporation law and the general corporation law.

Vermont - S. 2 enacts the Vermont Nonprofit Corporation Act.

##### Failed

Arizona - H.B. 237 would have authorized corporations, including cooperatives and districts, to make provision to indemnify officers and directors against judgments, penalties and expenses in legal actions brought against them for their actions as such, in the absence of gross or willful negligence.

Mississippi - H.B. 334 would have authorized establishment of special service districts in rural areas, to furnish power and communication and other utility services, or franchise or contract for same, and to extend service facilities not more than two miles outside their boundaries.

New York - A. 5817 would have amended the general cooperative corporation law by deleting the requirement that a cooperative's name include the word "Cooperative."

#### Commission Regulation

##### Enacted

Mississippi - H.B. 81 (S.B. 1565) approved and effective May 6, 1966, increases from \$200,000 to \$300,000 the amount regulated utilities may be taxed each year to meet the expense of regulation.

##### Failed

Arizona - H.B. 288 would have required payment of a \$50 fee for each application for a certificate of convenience and necessity.

Georgia - S.Res. 108 would have created an interim legislative committee to recommend ways and means to end discriminatory and competitive utility practices, such as offering cheaper rates for using a service exclusively.

Kentucky - H.B. 383 would have required that not more than two members of the Public Service Commission shall be affiliated with the same political party.

Louisiana - H.B. 835 would have increased the inspection and supervision fees of the Public Service Commission.



Mississippi - S. 2099 would have exempted from the provisions of the Business Corporation Act (Sec. 5309-133, Miss. Code 1942) relative to voting rights of shareholders on amendment of articles increasing or decreasing the aggregate number or par value of shares where the issuance of such shares is regulated by the State or the United States.

New York - A. 696 would have required making available in each public utility main office the name, address, title, salary and duties of each employee having an annual salary of \$7500 or more.

- A. 697 (S. 3740) would have prohibited public utility advertising or lobbying of any kind except for normal reports to stockholders.

- A. 1280 would have created a temporary state commission to study the public service law to determine necessary changes to protect the public with respect to rates and service.

Virginia - S.B. 435 would have granted additional power to the State Corporation Commission to require all public utilities to render all services exacted by the Commission or by law.

- S.J.Res. 5 would have directed the Virginia Advisory Legislative Council to study the advisability of establishing an office of consumer's counsel to represent the public on rate matters before the State Corporation Commission.

## Taxation

### Enacted

Georgia - S.Res. 103 creates an interim legislative committee to study the feasibility of establishing procedure or formula for uniform assessment of public utility property.

New Jersey - A. 700, enacted as Ch. 30, effective 7/1/66, enacts a Sales and Use Tax Act, sec. 8 of which exempts electric, telephone and other utility services to consumers, and sales of telephone central office equipment or station apparatus, and of electric generating equipment.

- A. 751, enacted as Ch. 53, amends Ch. 30 (above) by adding to the exemptions apparatus primarily used in the transmission or distribution (as well as generation) of electricity, and telephone lines, cable, and other machinery, equipment or apparatus (as well as central office equipment or station apparatus) used in telephone service.

South Carolina - H. 2346, effective for taxable year beginning 1/1/67, amends the income tax laws by gradual elimination of special taxation of public service corporations.

Virginia - S.B. 256, enacted as Ch. 539, provides for taxation of real estate and tangible personal property of public service corporations at the same rate as other real estate in the locality, with special relief provisions for taxation of tangible personal property for a period of 20 years.

- S.B. 257, enacted as Ch. 540, authorizes any city, town or county to impose a tax on consumers of utility services within fixed limits.

- S.B. 258, enacted as Ch. 541, authorizes the local assessment of public service corporation property at the prevailing assessment rates, with special provisions for a period of 20 years.

- S.B. 289, enacted as Ch. 542, prohibits a county with population over 150,000 from levying a utility consumers tax if such county levies a personal property tax on household goods and personal effects.

#### Failed

Alaska - H.B. 129 (carried over from 1965 session) would have prohibited the imposition of municipal sales tax on any utility service delivered outside municipal limits.

Mississippi - H.B. 954 would have provided that in the event of a county-wide re-evaluation of property for ad valorem tax purposes, State Tax Commission shall take same into consideration in re-evaluating public service corporation property for assessment purposes.

- H.B. 1171 (S.B. 2278) would have amended Secs. 10109 and 10111, Miss. Code, to increase the gross income tax on retail sales of electricity, intrastate telephone business, and electricians, electrical work, wiring and repairs or installation of electrical equipment from  $3\frac{1}{2}$  to 4%.

New York - S. 2420 would have amended the sales and use tax law to exempt all electric and telephone service.

#### Electric and Telephone Construction

#### Enacted

California - A.B. 135, enacted as Ch. 104, amends Streets and Highways Code by adding Chapter 28 providing procedures for the establishment of special assessment districts for the conversion of existing overhead electric and communications facilities to underground location.

Maryland - H.B. 730, effective 6/1/66 as Ch. 685, requires the State Roads Commission to include, in its specifications for new highways in Howard County, utility sleeves at highway intersections and other intervals, to accommodate water mains, gas mains, electric lines, telephone cables and all other utilities requested by the Howard County governing body; the county to pay the cost.

- H.B. 1154, effective 6/1/66 as Ch. 709, makes similar provision to H.R. 730 applicable to Interstate Route 70 in Frederick County.

Virginia - H.J.Res. 19 directs the Virginia Advisory Legislative Council to continue its study of joint use of rights-of-way, and urges public service companies to make joint use.

- H.B. 740, enacted as Ch. 446, makes it a felony intentionally to destroy or damage electric, telephone and other utility property, and a misdemeanor to tamper with metering devices.



### Failed

Alaska - H.B. 502 would have amended Sec. 40.15.030 relating to the dedication of streets, alleys and thoroughfares by providing that all utility easements shown on the plats of subdivisions are deemed dedicated to public use.

Arizona - H.B. 266 would have authorized public improvement districts to place electric and telephone lines, etc. underground.

Maryland - H.B. 731, same as H.B. 730 (see "Enacted", above) but applicable to all new state highways.

Mississippi - H.B. 168 would have established NES Code, or other standards adopted by the Public Service Commission for the construction, installation and maintenance of all electric and communication lines; provided that compliance therewith constitutes prima facie evidence of care required by law; and authorized the Commission to impose civil penalties for noncompliance.

New York - A. 3522 (S. 2118), vetoed, would have authorized Rockland County Sewer District No. 1 to condemn public utility real estate and easements for the purposes of the District.

- A.Res. 48 (S.Res. 32) would have created Joint Legislative Committee to Investigate and Study the Feasibility of Placing All Utility Lines Underground.

- A. 532, A. 1313 (S. 2705), A. 2607 and S. 669 would have prohibited any public utility from requiring or permitting employee to work inside a manhole unless a trained employee is stationed outside and at the manhole entrance.

### Pending

New Jersey - A. 346 prohibits erection and requires removal of utility poles within 25 feet of cross walk or highway intersection.

### Utility Relocation Reimbursement

#### Enacted

Louisiana - H.B. 775, enacted as Act 412, exempts municipal utility installations within municipal limits from the statutory provisions prohibiting such installations unless owner agrees to remove or relocate same if required for highway construction or relocation.

New Jersey - A. 753, approved and effective 6/18/66 as Ch. 172, amends the law relating to freeways and parkways and dealing with reimbursement by the State Highway Commissioner for utility relocation, to authorize the Commissioner to acquire by agreement or condemnation lands or interests therein outside freeways or parkways necessary to facilitate and expedite such relocation.

#### Failed

New York - A. 4629 (S. 2759) would have provided for relocation of power and telephone and other utility wires as required in construction of interstate highways, the cost to be reimbursed out of highway funds.

- A. 4692 (S. 4200) would have prohibited any public utility from interfering with highway and other public works construction by failure to remove or relocate poles, wires, etc. within the scheduled time.



## Disposition of Unclaimed Property

### Enacted

Maryland - S.B. 238, effective 6/1/66 as Ch. 611, enacts the Uniform Disposition of Unclaimed Property Act.

West Virginia - H.B. 205 (S.B. 3) enacts the Uniform Disposition of Unclaimed Property Act.

### Failed

Colorado - H.B. 1006 would have enacted the Uniform Disposition of Unclaimed Property Act.

Louisiana - H.B. 1099 would have enacted the Uniform Disposition of Unclaimed Property Act.

Maryland - S.B. 239 would have enacted the Unclaimed Property Compact to settle multi-state claims to unclaimed property.

New York - S. 3201 (A. 5149) would have enacted the interstate unclaimed property compact.

### Pending

New Jersey - S. 416 would enact the Unclaimed Property Compact.

## Uniform Commercial Code

### Enacted

Kansas - S.B. 3, approved 3/4/66, amends K.S.A. 84-9-402, 403 and 406, pertaining to the filing of certain financing statements.

Kentucky - H.B. 480 (H.B. 493) amend KRS 355.9-403 relative to fees for filing and indexing continuation and termination statements.

Mississippi - H.B. 2, approved 5/31/66, and effective 3/31/68 enacts the Code with amendment of section 9-302, making the filing provisions inapplicable to security interest, created by mortgage, deed of trust, etc. which covers real property and is properly filed, on personal property or fixtures of utilities, including electric and telephone; providing for filing in the office of Secretary of State; covering after-acquired property; and exempting such security instruments from the requirement of filing or refiling continuation statements. [Amendment sponsored by electric cooperatives and other utilities.]

New Mexico - H.B. 8, enacted as Ch. 31, amends Sec. 9-302 relative to exemption of certain security interests in motor vehicles from filing requirements.

South Dakota - H.B. 573 enacts Uniform Commercial Code (without amendment exempting electric, telephone and other utility security interests which was considered by REA borrower organizations which decided to postpone its submission until 1967).

Vermont - S. 1 enacts the Uniform Commercial Code, to become effective 12/31/66 (includes amendment exempting electric, telephone and other utility security interests from filing and continuation statement requirements).

Virginia - S.B. 382, enacted as Ch. 394, amends Sec. 8.9-105 defining "secured party."

- S.B. 384, enacted as Ch. 649, amends Sec. 8.9-402 relative to financing statements (inapplicable to utility security interests).

- S.B. 427, enacted as Ch. 569, amends Sec. 8.9-302, to exempt from the filing provisions security interests created in connection with public bond issues.

#### Failed

Alabama - H.B. 303 (S.B. 137) would have postponed the effective date of the Uniform Commercial Code (enacted in 1965) until midnight, September 30, 1967.

Kansas - H.B. 506, similar to but not identical with S.B. 3 (See "Enacted" above).

South Carolina - S. 721 would have created a legislative committee to examine the Code as introduced and the amendments which were adopted, and report to the 1967 General Assembly.

Virginia - S.B. 418 would have amended Sec. 8.9-302(5) to permit perfection of a utility security interest by filing under Sec. 8.9-401 through 8.9-406 rather than under Sec. 55-96.

#### Pending

Michigan - H.B. 3886 adds a new section to the Code relative to discharge of security interest upon payment of 80% of the amount owed thereunder.

New Jersey - A. 23 amends several sections of the code, including Sec. 9-403 dealing with the filing of financing statements.

#### Miscellaneous

##### Enacted

Virginia - H.B. 306, enacted as Ch. 92, amends the law governing utility labor disputes by requiring at least 30 days notice of work stoppage where there is no collective bargaining agreement in effect.

Pending

New Jersey - A. 78 repeals the law providing for mediation of public utility labor disputes.

- A. 896 amends and supplements the Uniform Securities law, by adding to the list of securities exempt under Sec. 3, securities issued by utilities subject to the Public Utility Holding Company Act, or regulated as to rates and charges by a State or Federal governmental authority, or regulated in respect of the issuance or guarantee of the security by a State or Federal governmental authority.

- S. 111 authorizes municipal governing bodies, by ordinance, to provide for the rendering of public utility service during emergencies due to discontinuance of service because of nonpayment of service charges.





IV. TELEPHONE

Enabling Laws

Enacted

Kentucky - H.B. 255 revises the provisions of the private corporation law relative to articles of incorporation, shares of stock, and directors' actions by written consent.

South Dakota - H.B. 737 amends the Cooperative Association Act with respect to report fees payable to the Secretary of State.

Commission Regulation

Failed

Alabama - H.B. 140 would have subjected CATV systems to the jurisdiction of the Alabama Public Service Commission.

Louisiana - H.B. 1050 would have prohibited telephone companies from charging for long distance station-to-station calls when such calls are answered by an answering device and given Public Service Commission enforcement authority.

New York - A. 2413 would have amended the public service law to require every telephone corporation to place a meter at subscriber's premises to record time and destination of each call and to show meter readings on subscriber's bill.

Taxation

Enacted

New Jersey - S. 12, approved and effective 2/16/66 as Ch. 4, eliminates the expiration date and continues in effect the gross receipts tax on franchises of telephone and other corporations using public lands and highways.

- A. 858, enacted as Ch. 138, excludes from personal property tax inventories used in telephone business which are taxable under Law 1940, Ch. 4.

New York - S. 2695 (A. 5408; S. 2136) amend Sec. 1115 of the tax law to exempt from sales and use taxes, receipts from coin-operated telephones where the charge therefor is ten cents or less.

Failed

New York - S. 2135 (A. 5409) would have amended Sec. 1115 of the tax law to exempt from sales and use taxes, telephone coin box receipts except where the aggregate tax would amount to  $2\frac{1}{2}\%$  or more. (See S. 2695, "Enacted," above.)

South Dakota - S.B. 161 would have amended the law relating to taxation of telephone companies in lieu of property taxes.

West Virginia - H.B. 253 would have decreased the privilege taxes on gross receipts and net income from telephone corporations from 2.75 to 2.70%.

#### Pending

Michigan - H.B. 3460 amends General Sales Tax Act to remove exemption of tangible personal property located on the premises of telephone subscribers and the necessary exchange equipment.

- H.B. 3461 amends Use Tax Act to exempt intrastate communication services and to eliminate the exemption therefrom of machinery and equipment used in rendering telephone service.

New Jersey - A. 473 levies annual property tax on telephone company tangible personal property to be assessed by the State Department of Taxation and Finance in lieu of municipal assessments.

Pennsylvania - H.B. 11 amends the Tax Act of 1963 for Education by exempting intrastate telephone and telegraph service.

#### Rates and Service

##### Enacted

Alaska - S.J.Res. 75 protests the increase in telephone rates and requests comprehensive study of the Alaska Communications System (Air Force) rate structure.

##### Failed

New York - A. 4408, vetoed, would have amended the public authorities law to authorize the installation upon the Taconic State Parkway System of adequate telephones for public assistance.

- A. 73 (S. 2083); A. 975 (S. 3704) would have amended the public authorities law to require installation of telephones along the New York State Thruway for emergency service.

- A. 3719 would have amended public service law to make it lawful to install foreign attachments to telephone supplied by a telephone corporation.

- A. 3720 would have amended public service law to make it unlawful for a telephone corporation to charge more than cost and a reasonable installation charge for extension telephones and other devices.

- A. 4433, A. 4828 would have required installation of telephones for emergency use in every farm labor camp.

#### Misuse of Telephone Service

##### Enacted

Alaska - H.B. 134 makes it misdemeanor to use indecent language on telephone or to molest others by anonymous calls.

- H.B. 353, effective 5/4/66 as Ch. 133, prohibits wiretapping and imposes penalties.



Arizona - H.B. 161, approved 4/29/66 as Ch. 100, makes it a misdemeanor to obtain telecommunication service fraudulently and to make, sell or furnish any device for this purpose.

- H.B. 211, approved 3/29/66 as Ch. 40, makes it unlawful to use the telephone to threaten, annoy or offend.

Kentucky - H.B. 241 makes it a crime to make, possess, use or transfer a device for the theft of telecommunication service.

- H.B. 242 makes it unlawful to avoid lawful charges for telephone or telegraph service.

- H.B. 342 makes it unlawful to use obscene language over telephone.

Louisiana - S.B. 159 (H.B. 510), enacted as Act 304, prohibits obscene or anonymous calls to annoy others, or intentionally interfering with service of others.

- S.B. 183 (H.B. 512), enacted as Act 305, makes it unlawful to avoid payment for telecommunication service by codes, prearranged schemes or other means.

- S.B. 184 (H.B. 511), enacted as Act 306, prohibits manufacture, use or transfer of device to avoid payment for telecommunication service.

Virginia - H.B. 739, enacted as Ch. 445, makes it unlawful to make, possess or deal in devices designed to obtain telephone service fraudulently.

#### Failed

Maryland - S. 385 would have amended the law relative to telephone misuse to make the person in whose name the telephone used is listed prima facie responsible for harassing and abusive calls.

New York - A. 603 (S. 420); A. 2580 (S. 1472); S. 4914 would have imposed criminal penalties for nuisance telephone calls.

- A. 5663 (S. 4408) would have made it a misdemeanor to permit use of telephone for gambling purposes.

- A. 232 (S. 3110) would have amended wire-tapping law to prohibit eavesdropping pursuant to court order or by law enforcement officer; and imposed civil penalties for wire-tapping or eavesdropping.

Virginia - H.B. 741 would have made it a felony to harrass, intimidate or abuse by telephone a relative of a person serving in the armed forces because of such service.

#### Pending

Delaware - H.B. 580 prohibits bribery to obtain disclosure of the names, addresses or telephone numbers of telephone subscribers without the consent of the telephone company.

Michigan - H.B. 3287 prohibits devices to avoid lawful charges for telecommunications services.

- S.B. 1070 prohibits eavesdropping on or recording telephone conversations without the consent of the parties, or dealing in instruments therefor.

Miscellaneous

Enacted

Louisiana - H.B. 316, enacted as Act 62, amends expropriation law to give domestic or foreign telephone companies expropriation authority where price cannot be agreed upon with the owner.

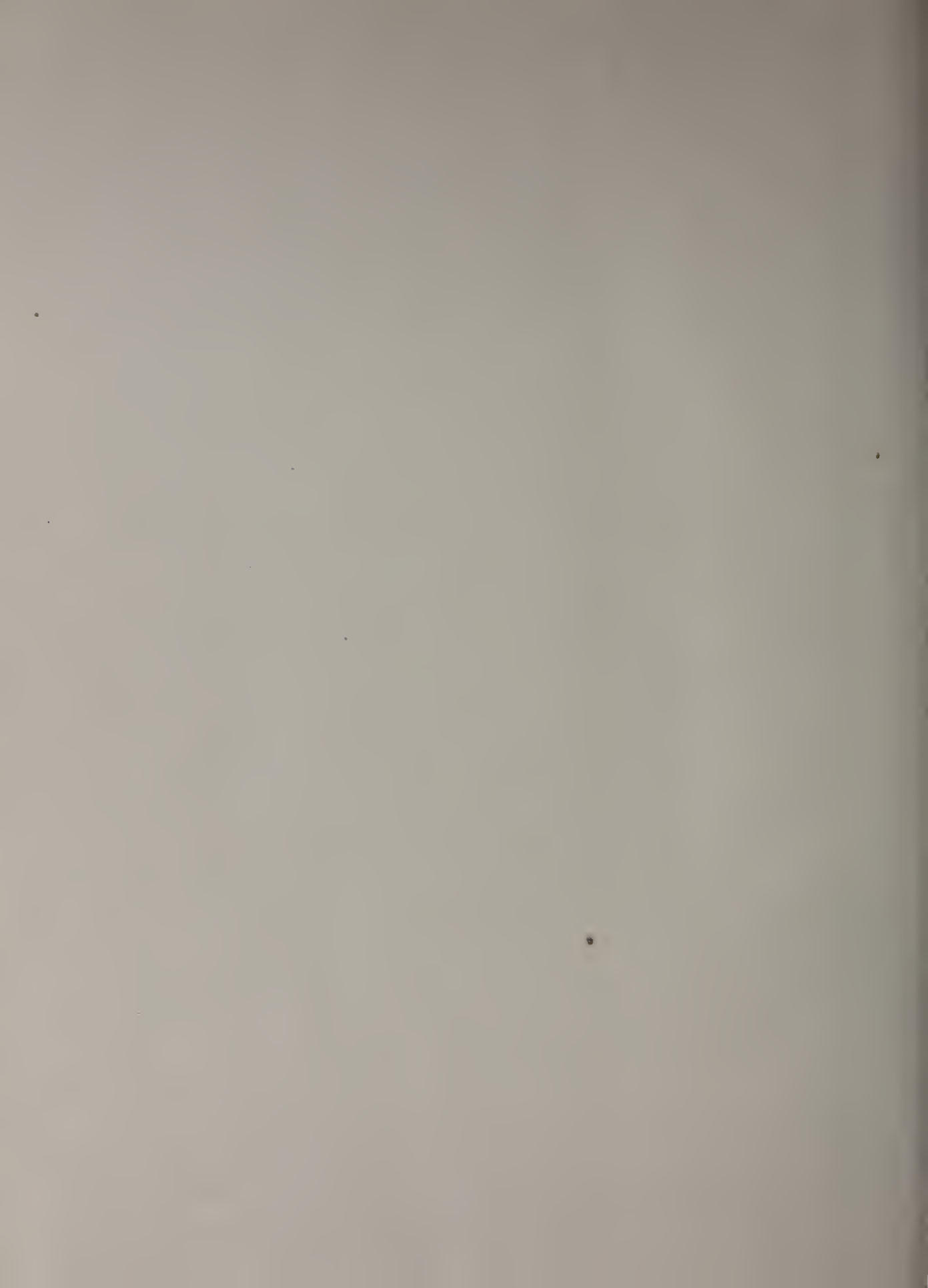
Nevada - S.B. 16, approved and effective 5/16/66 as Ch. 21, provides for the disposition of the proceeds of the sale of the Churchill County telephone system if sold by 5/16/69.













State legislation affecting the  
Stat REA program.  
REA 1965--1966  
1962

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